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# FINANCIAL TIMES

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AVIA QUARTZ CLOCKS

## NEWS SUMMARY

### GENERAL

## Queen's police chief resigns

The Queen's policeman Commander Michael Trestrail, 50, has resigned after admitting a homosexual relationship with a male prostitute.

Yesterday, there were questions as to why Home Secretary William Whitelaw was not told about Mr Trestrail's resignation for 48 hours.

Mr Whitelaw said Commander Trestrail resigned on Saturday morning but that he was not told until 9.15 am yesterday.

Mr Whitelaw was said to be "very shocked" by the disclosure and Tory MPs were last night wondering how much longer he would remain Home Secretary. Trestrail was vetted, Page 10

**Fagan move**

Michael Fagan, 30, will not be prosecuted over the incident in which he is said to have entered the Queen's bedroom. Bow Street court heard. He was remanded in custody, though, for other alleged offences.

**Rail pay**

British Rail is likely to call on the forthcoming arbitration tribunal on railway pay to make no wage award until workers agree to productivity increases in a ballot. Back Page

**Basra battle**

Iraqi resistance appears to have halted Iran's six-day-old invasion although heavy fighting is reported north-east of Basra. Back Page

**Iran attack**

Iran attacked a UN committee reviewing its human rights record, saying human rights are a myth and declaring as insignificant the number of executions since the Islamic revolution.

**Troops to stay**

Angola said Cuban troops will remain in the country until it receives guarantees there will be no South African raids on its territory, after the independence of Namibia. Page 4, Editorial comment, Page 16

**Fencer injured**

Former world fencing champion Vladimir Smirnov was in a coma after suffering an eye injury in the World Fencing Championships, in Rome.

**Politician freed**

Leading Pakistani politician Dr Ghulam Hussein was freed after being held by immigration officials for four days after arriving in Britain, using a Swedish passport.

**Ferry halted**

The Liverpool-Belfast ferry will be halted until Friday. The only ship on the route has engine trouble.

**Boys rescued**

Police constable Don Tomkinson climbed down the face of a Toxteth tower block to rescue two boys trapped on a 10th floor ledge.

**England win**

England 295—8 (55 overs, innings closed) beat Pakistan 222 all out (49.5 overs) in the second One-day Test, at Old Trafford.

**Briefly . . .**

Polish, East German and Soviet troops started manoeuvres in East Germany.

Ten children were killed and 30 injured when awnings on a school at Trichur, southern India, collapsed.

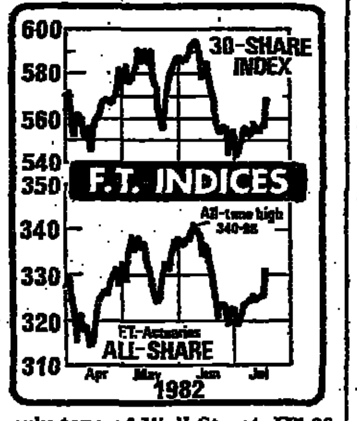
Decision on the Pope's possible visit to Poland is expected in a few days. Page 3

### BUSINESS

## Gilts and equities stronger; £ rises

● GILTS benefited from pressure for cheaper credit at home and in the U.S. Shorts rose a point, selected high-coupon longs gained up to 1¼. FT Government Securities index rose 0.79 to 71.98, its highest since July 28, 1980. Page 27.

● EQUITIES were overshadowed by gilts, but moved ahead strongly aided by the rail dispute settlement and the




early tone of Wall Street. FT 30 Share index rose 12.9 to 569.6. FT-Actuaries all-share index was up 1.6 per cent at 331.42. Page 27

● STERLING gained 1.5c to $1.7375. It also rose to DM 4.29 (DM 4.27), SwFr 3.65 (SwFr 3.625) and FFr 11.9125 (FFr 11.855). Trade weighted index was 91.4 (90.8). Page 28

● DOLLAR weakened on news of a rise in U.S. money supply. It fell to DM 2.4685 (DM 2.4775) and SwFr 2.099 (SwFr 2.1025) but was firmer at Y254.25 (Y254). Trade weighted index was 120.2 (121). Page 28

● GOLD rose $2.5 to $347.5 in London. In New York, the Comex July close was $345.1 ($349.9). Page 22

● TIN cash price fell £225 to £6,405 a tonne in London. Page 22

● WALL STREET was down 2.19 at 826.48 near the close. Page 26

● CHANCELLOR Helmut Schmidt of West Germany and Italian Foreign Minister Sig Emilio Colombo visited separately U.S. Secretary of State Mr George Shultz to try to defuse arguments between the U.S. and Europe. Back Page

● UK GOVERNMENT might instruct all companies to ignore U.S. restrictions on equipment for the Siberian gas pipeline. Page 10

● LEASING of plant and equipment is still rising, against the economic trend. Page 8

● RETAIL trade rose in June, but probably because of earlier summer sales rather than a spending boom. Page 8.

● FRANCE should launch a three-year FFr 1bn (£83.95m) investment programme in bio-technology, said a commission of experts set up by the government. Page 24

● YUGOSLAV authorities have provided £260m this year to help banks meet their foreign obligations. Page 3

● ALEXANDERS DISCOUNT, discount house concern, lifted interim dividend from 5.5p to 6.5p net per £1 share on increased profits. Page 18; Lex, Back Page.

● CROWN HOUSE, diversified group, pre-tax profits rose 22.5 per cent to £2.56m in the year to end March. Page 19

● ALCOA has postponed completion of an aluminium smelter in Australia. Page 25

● BURROUGHS, U.S. computer manufacturer, lifted first-half earnings from $53.6m (£30.85m) to $63.6m. Page 23

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISES | | |
|---|---|---|
| Treasury 12¼% 1986 | £99⅜ | + 1 |
| Exchequer 15% 1997 | £114¾ | + 1½ |
| AB Electronic | 240 | + 13 |
| Alexanders Discount | 250 | + 12 |
| Amersham Intl | 243 | + 11 |
| BICC | 300 | + 12 |
| Barratt Developmnts | 278 | + 8 |
| Beecham | 299 | + 9 |
| Bulmer (H. P.) | 515xd | + 42 |
| Fobel Intl | 30 | + 4½ |
| GUS A | 491 | + 13 |
| GKN | 148 | + 5 |
| Hall (M.) | 240 | + 9 |
| Hambro Life | 259 | + 8 |
| Hunting. Gibson | 110 | + 8 |
| Huntley and Palmer | 97 | + 6 |
| ICI | 310 | + 8 |
| Long and Hambly | 84 | + 4 |
| Mixconcrete | 182 | + 5 |
| Nottingham Manuftg | 190 | + 12 |
| Racal Elect | 480 | + 15 |
| Rolfe and Nolan | 110 | + 12 |
| Rothmans Intl | 96 | + 4 |
| Royal Insurance | 362 | + 15 |
| Scan Data | 125 | + 15 |
| Siebe Gorman | 190 | + 8 |
| TI | 104 | + 4½ |
| Tesco | 75 | + 4 |
| Thorn EMI | 422 | + 17 |
| York Mount | 59 | + 4 |
| Eglington Oil & Gas | 115 | + 15 |
| Anglo American Corp | 518 | + 26 |
| Bougainville | 73 | + 6 |
| Durban Deep | 800 | + 80 |
| East Rand Props | 370 | + 50 |
| Gold Fields SA | £28¾ | + 1½ |
| MIM Hldgs | 168 | + 12 |
| South African Land | 164 | + 18 |
| UC Invests | 470 | + 48 |
| FALL | | |
| Vinten | 286 | − 10 |

# Legislation to sell 51% of British Telecom planned for November

BY GUY DE JONQUIERES

THE Government announced plans yesterday to introduce legislation in November enabling it to sell up to 51 per cent of British Telecom (BT) to private investors. But it has firmly ruled out a share sale before the next general election.

Mr Patrick Jenkin, Industry Secretary, told the Commons the proposals would free BT from "the web of government interference and controls" and allow it wide scope to compete on a commercial basis in the telecommunications market.

Once 51 per cent of the shares had been sold, BT would be outside the public sector borrowing requirement and the government's external financing limits. It would be free to seek financing for its investment programme from the market, instead of borrowing from the Exchequer or through higher tariffs.

This could eventually mean a reduction of between 3 and 5 per cent in otherwise likely tariff increases. BT, which plans to invest about £2.2bn this year, finances 90 per cent of investment from its own revenues.

The Government's announcement was strongly criticised by the Labour Party and the Post Office Engineering Union. Mr Stan Orme, Labour's industry spokesman, said the party intended to make the planned sale of shares an issue at the next general election.

The statement was received cooly by BT's board, which said it had not been consulted. It said many complex questions had still to be resolved and warned that the changes should not place an excessive burden on its operations.

Mr Jenkin expected the legislation to be on the statute book in about a year. But he excluded a sale of shares during this parliament because it would be "coloured" by the approach of the next election, which must be held by May 1984.

He would not say how much he expected to be raised by a sale of shares, which could take place in one or more tranches. But ministers are understood to be thinking in terms of £2.5bn to £3bn for the full 51 per cent interest.

The Government's proposals are set out in a White Paper. They also include the following provisions.

● The creation of an Office of Telecommunications, to be modelled on the Office of Fair Trading, which would ensure fair competition and prices. The office, which would be accountable to the industry secretary, would start operating soon after the new legislation came into effect next year.

● Turning BT into a public limited company in preparation for the sale of shares.

● The granting to BT of an operating licence; the terms of which are still to be negotiated. The licence, which would be

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# Chrysler boosts profit to $107m

By Terry Byland in New York

CHRYSLER, the third-largest U.S. motor manufacturer, made a profit of $106.9m (£61.5m) in the second quarter of this year, a major step forward along the road to recovery from the crisis that forced the company to seek U.S. Government financial help three years ago.

In the same period last year Chrysler earned $20.7m, largely from activities it has since disposed of. Mr Lee Iacocca, chairman, in his most ebullient form, said this profit comfortably exceeded the most optimistic forecasts from Wall Street's car industry analysts.

For the full year, he said, Chrysler could earn $150m on operations which, with the extraordinary gain from the sale of its defence division, would bring total net profit to about $400m.

Mr Iacocca told a crowded meeting in the Waldorf-Astoria Hotel that Chrysler had amassed a cash holding of more than $1bn to offset its $1.2bn of government-backed loans. The company plans to repay these loans by 1985, he disclosed. Although in theory Chrysler could then resume dividend payments, it still has a further $800m in long-term debt.

Mr Iacocca ascribed the rise in earnings from the comparable period last year to the company's policy of cutting costs and improving efficiency. As expected at a time of weakness throughout the U.S. car industry, Chrysler sales were 10.5 per cent down in the quarter. The rise in earnings indicates the success of the cost-pruning exercise on the manufacture of the Omni-Horizon, Dodge and LeBaron models.

Mr Iacocca would not be drawn on prospects for the latest round of wage negotiations with the United Auto Workers, which open today. Because of its financial problems Chrysler has been able to negotiate lower wage rates than its competitors over the past two years and pays about $3 an hour less than General Motors.

The Chrysler chairman spoke bitterly of the current state of the U.S. economy, with its record rate of corporate bankruptcies and rising unemployment. He pointed out that all his forecasts for the company were subject to the risk of "the roof caving in." Rising interest rates were crippling the industry and the economy and "the Administration's programme cannot work unless they get interest rates down."

# Two U.S. banks cut prime rate to 16%

BY DAVID LASCELLES IN NEW YORK AND WILLIAM HALL IN LONDON

TWO LARGE U.S. banks yesterday reduced their prime rates by half a per centage point to 16 per cent. The move came as European hopes that U.S. interest rates generally were heading lower gathered strength.

Coupled with relief at the ending of the rail strike, the development boosted London stock markets, which finished trading with their biggest daily gain since May.

Manufacturers' Hanover, the fourth-largest U.S. bank, and First Chicago led yesterday's downward move in U.S. prime rates, the first cuts in eight weeks.

Although short-term U.S. rates have fallen sharply in the past fortnight reducing bank funding costs, most banks are still holding back on prime rate cuts until they can be sure that the downward trend is a lasting one. Some banks which cut their prime rates in May were forced into an embarrassing reversal when the market backtracked only days afterwards.

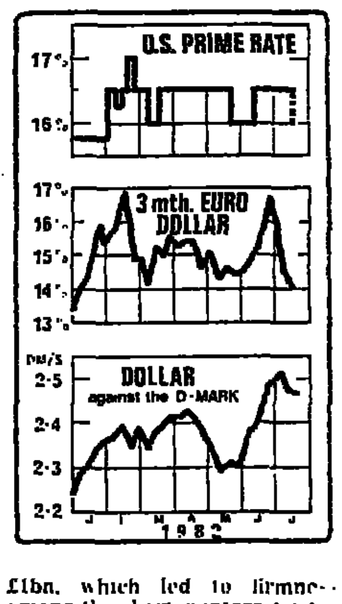
Most banks are also awaiting today's congressional testimony by Mr Paul Volcker, the Federal Reserve Board chairman, whose assessment of the monetary outlook will have a big influence on the financial markets. There is a chance that he may alter targets for the growth of the money supply.

The belief that U.S. interest rates are heading lower appears to have taken hold in Europe's financial markets. Eurodollar interest rates fell sharply yesterday with the three-month rate closing over half a percentage point lower at 14 per cent. Over the past fortnight this rate has dropped by over 2 percentage points.

On the London Stock Exchange, the FT Industrial Ordinary share index staged a rally of 12.9 points, its biggest daily rise since late May. The FT Government Securities index rose 0.79 to 71.98 — its highest level for nearly two years.

Prices of long-dated UK Government stock rose by over 1½ points and the Government Broker is believed to have supplied sizeable quantities of the six £100m "tranchettes" or mini-taps ranging in maturity from 1985 to 1998.

There were conflicting forces at work in the UK money markets yesterday. There was an exceptionally large shortage of




£1bn, which led to firmness among the shorter interest rate with seven-day inter-bank rate rising by ⅛ to 12 11-16ths per cent. However, the feeling that U.S. rates are on the way down led to an easier trend in period rates, with one-year money falling by ¼ of a percentage point to 12¼ per cent.

The Bank of England intervened in the money markets and cut some dealing rates but it did not reduce its key rate for band-one bills, which is often regarded as a necessary indication by analysts that it wants to see interest rates lower.

Last week, UK banks reduced their base rates by half a percentage point to 12 per cent and indicated at the time that this was likely to be the only reduction for some time. However, the continuing decline in U.S. interest rates has led to increasing confidence that another cut in UK bank base rates might not be too far away.

Bankers in Europe believe that the interest rate picture will be clearer following Mr Volcker's testimony today to the Senate Banking Committee.

In the foreign exchange market the U.S. dollar opened sharply lower against most major currencies. It staged a slight recovery towards the close of trading in Europe, although it ended the day falling from Friday's DM 2.4775 to DM 2.4685 against the German currency. Against the Swiss Franc it slipped from Friday's SwFr 2.1025 to SwFr 2.0990. But against the Japanese Yen it finished at Y254.25 compared with Y254.0 before the weekend. The dollar's trade weighted index fell by 0.8 to 120.2.

Decline in U.S. growth rate feared, Page 4
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# 'Widespread support' for health workers' action

BY IVO DAWNAY, LABOUR STAFF

HEALTH SERVICE workers yesterday began a three-day campaign of "intensified industrial action" with strikes, picketing and demonstrations across the country in support of their 12 per cent pay claim.

However, many NHS employees are growing increasingly sceptical over the likelihood of any rapid change of heart from the Government and an improvement on the offer of 7.5 per cent for nurses and 6 per cent for most other health workers in the wake of the collapse of the train drivers' strike.

The Commons will hold an emergency debate on the dispute today.

In spite of the gloom, officials of the 11 unions involved in the dispute claimed last night that the strike call had received widespread backing.

Many hospitals had shut all but accident and emergency services while others had been hit by staff walkouts in sterilisation and laundry departments.

The National Union of Public Employees also reported a high level of sympathetic action by workers outside the NHS.

In Yorkshire, 7,000 mineworkers at six pits backed the protest with a 24-hour stoppage. Several hundred construction workers stopped work at the Drax power station in South Yorkshire and at the Isle of Grain power station site in Kent.

Backing was also reported from local government employees in Scotland and Wales. In the West Midlands, Nupe officials claimed that firemen reduced cover to emergencies only.

Nupe officials said that many local co-ordinating committees would be stepping up rolling programmes of industrial action to end with all-out stoppages tomorrow, the final day of the campaign.

However, Mr Norman Fowler, Social Services Secretary, said in a statement last night that reports indicated hospitals had "coped much better than might have been expected.

"Medical staff, the vast majority of nurses and many thousands of other hospital workers have continued to care for patients. I pay tribute to their work."

Mr Fowler went on to appeal to NHS employees to give up their industrial action and negotiate on the £400m that had been made available for wages.

"It is time that this shameful strike was called off," he said.

The Department of Health and Social Services claimed last night that several hospitals had been left without emergency

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Trevor Humphries

Before the health service union's protest march on County Hall, London. A policeman talks to a nurse whose placard asks if the TUC will "betray" the NHS

# UK may seek steel pact with U.S.

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

BRITAIN is seriously considering breaking ranks with its European partners by attempting to negotiate a bilaterial steel quota agreement with the U.S.

Negotiators could be sent to Washington later this week. Their aim would be to ensure that British Steel Corporation maintains a place on the U.S. market. Since last month some of its products have faced a 40 per cent duty which has effectively barred them from the market.

Last year, of total British Steel deliveries amounting to 10.7m tonnes, about 400,000 tonnes worth over £200m went to the U.S.

The U.S. Government imposed preliminary countervailing duties on products from British, French, Italian and Belgian steel suppliers, following charges by U.S. steel companies that European sales on the American market were illegally subsidised.

Since then the EEC Commission has worked hard to try to negotiate with the Reagan Administration a quota agreement covering steel sales into the U.S. by all EEC producers which would allow the duties to be dropped.

There is increasing pessimism, however, about the possibilities of reaching such an agreement. Since last year talks have failed to define a market share in the U.S. for European suppliers acceptable to both the U.S. steel companies and the European producers.

The British decision on whether to act alone will be made after today's EEC Council of Ministers meeting, at which the Commission will present its latest assessment of the prospects for reaching agreement.

The UK representative is Mr Peter Rees, the Minister for Trade.

Viscount Etienne Davignon, the EEC Commissioner for Industry, will report to the Council on his inconclusive round of talks in Washington at the end of last week with Mr Malcolm Baldridge, the U.S.

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Schmidt and Colombo to see Shultz, Back Page

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**Robert Graham** reports on political prospects as Madrid's centrist government limps to an early election

# Disarray shortens odds on Spanish Socialist victory

LIKE MANY bar owners, Miguel installed a colour television for the World Cup, beneath which he proudly taped a poster of the Spanish team.

Now he has erected a mock altar below it—a black cloth draped over a box with a crucifix irreverently bearing a referees whistle and two candles on either side. By the poster of the team, which Miguel and his fellow Spaniards feel performed so badly, is the crudely scribbled caption "May they rest in peace." If Spaniards cared as much about the performance of their Government as that of their football team, the same caption would apply.

Spain is drifting in a pre-electoral vacuum. The only certainty is that the political map of Spain, which has existed since the death of Franco in November 1975 and was formalised by the June 1977 democratic elections, is about to disappear. There is a strong possibility, however, that Spain faces the prospect of a Socialist administration for the first time since 1936 and the onset of the Civil War.

## Lame duck

The Government of Sr Leopoldo Calvo Sotelo has become a lame duck administration. It is limping towards early general elections with the exhaustion of a runner who sees crossing the finishing line as a feat in itself. The Government has lost the will to act and a spate of desertions since last December have crippled the capacity of the ruling Unión de Centro Democrático (UCD) to operate with a viable majority in Parliament.

Sr Calvo Sotelo has stepped down from the party leadership and Sr Landelino Lavilla, the Speaker of the House, has been brought in to stop the rot and stiffen morale. This has created even more uncertainty, though, heightening the feeling that the administration cannot last through until spring next year and that it will opt for elections in November or December.

UCD, the party that has dominated political life during the transition to democracy, is changing its direction. From being a reformist centre party under the leadership of former Prime Minister Sr Aldolfo Suarez, UCD has gradually moved to the right. This week's election of Sr Lavilla as leader takes it one step further.

The party has already shed Social Democrats and Liberals at one end and right-wing Catholics and Christian Democrats at the other—desertions which owe as much to genuine differences as to the feeling that the ship is sinking. UCD performed disastrously in the May elections to the new regional parliament in Andalucia, capturing only 14 per cent of the vote. One private poll reportedly gives the UCD only 5 per cent of the national vote in a general election.

The rising star is the right-wing conservative Alianza Popular of Sr Manuel Fraga, a former minister under Franco, a party cold-shouldered by the electorate in the two previous general elections. Sr Fraga is reaping the fruits of UCD discontent, a shift to the right by some UCD voters, and of its own consistent political stance: conservative Spanish nationalism with a strong emphasis on the value of the family and law and order.

The fate of UCD is therefore seen as increasingly bound up with Sr Fraga and Alianza Popular. Sr Fraga talks of an alliance of "the natural majority." Such an alliance—inevitable, according to several commentators—leaves the way open for the Socialists to move into the moderate centre territory it has always contested.

Landelino Lavilla, the new president of the ruling UCD, which is under challenge from the Socialists led by Felipe Gonzales (right)—Spain's most popular politician

On the admittedly partial evidence of the Andalucia regional election, where the Socialists got 51 per cent of the vote, UCD surrendered this ground. Sr Felipe Gonzalez, the Socialist party's 40-year-old leader, has become the most popular politician in the country.

In the past two years Sr Gonzalez has quashed a sizeable left-wing dissident element and done his best to present the image of a moderate, disciplined party. Not only has he gained support from the centre but also from discontented Communists. The bogey of a powerful Communist Party has vanished: the party has lost the mainstream of its Eurocommunist figures, disillusioned by the authoritarian leadership of Sr Santiago Carrillo.

The appeal of Communism to voters has suffered drastically and the party can rely on no more than a hard core support by 5 per cent of the electorate. This leaves the Socialists as the Party of the Left, and presents Spain with the prospect of a Socialist administration.

In broad political terms, therefore, the shake-up is ranging from a moderate, well-organised, but untested, Socialist party against a loose right-wing coalition with several maverick splinter groups. The powerful Basque and Catalan nationalist parties act as floating elements of support in the middle. It is not a crude left-right confrontation but, in certain circumstances, it could become thus polarised.

UCD was formed from 14 different groupings under the leadership of Sr Suarez to fight the 1977 elections and only formally constituted two months afterwards — the implication being that it would have taken a different shape, or shapes, if it had not won the elections.

There was no consistent ideology among the groups but their various leaders were all products of what could be called the "political class" created under Franco: people either mildly opposed to the régime yet dependent upon it or directly involved in the régime itself—like Sr Suarez, one-time secretary general of the Movimiento.

UCD was held together by a désire to inherit and transform the Franco power apparatus. Sr Suarez correctly realised this was best obtained by a centre reformist platform. In 1977, UCD obtained 34 per cent of the vote and 165 of the 350 seats in Parliament and in 1979 over 35 per cent of the vote and 167 seats. Desertions have now reduced this to 149 seats and, very shortly, may drop to 121.

There can be few instances in recent European politics where a party, which has obtained a clear endorsement from the electorate with a working parliamentary majority, has so successfully destroyed itself from within.

UCD has been involved in an almost continuous battle over who should share in the power that it has won. Sr Suarez and his successor Sr Calvo Sotelo in the premiership have been obliged to balance Cabinet posts according to factions. As a result, there have been 70 new ministers in five years. The party is now on its fourth leader.

It can be argued that UCD's troubles and the changing nature of the political parties is a natural process of adjustment in Spain's infant democracy. In particular, UCD has to settle the contradictions of its original composition. Such a view, however, should not obscure the very serious issues facing Spain.

The disruption caused by ministerial changes and party politicking, coupled with the administration's practice of shutting down for effectively three months a year for holidays, has left Spain without serious government for more than half of the past five years.

The fundamenal problems affecting the modernisation of Spain have yet to be resolved: the role of the armed forces and their relationship with civil authority: the relationship between Church and State (especially over education), the relationship between central government and the regions, the creation of an impartial judiciary, the regional imbalance of wealth and the prevalence of enormous disparities in income distribution.

Until now, the framework to tackle some of the problems has been established—for which UCD can take the credit. However, the essential nature of the problems themselves has not been tackled and the pace of reform has slowed noticeably in the wake of the abortive coup of February, 1981.

Both Sr Suarez and Sr Calvo Sotelo's government have been afraid of antagonising the military, of upsetting the Catholic hierarchy, of colliding with financial interests over fiscal reform and liberalisation, of shaking up a conservative judiciary and prodding a complacent entrenched bureaucracy.

The military now enjoy exaggerated deference. No one has had the courage to act on the basis that the coup failed, that the military were divided and ultimately unwilling to rock the status quo. This therefore permits the dangerous situation of the military to remain as arbiters of the nation. The most powerful factor preventing a Socialist victory would be a propaganda campaign saying the military would not tolerate "the Reds." Sufficient important interests are concerned about a Socialist victory to allow this to happen.

Sr Gonzalez is acutely aware of this danger, which is why he has pitched all his statements in such moderate tones. Indeed, this moderation has earned the Socialists the label from some as "UCD without ties," the difference being more of style than content as the solutions to the problems allow little margin of difference.

## Palliative

For instance, with over 2m unemployed—equivalent to 15 per cent of the active population—a Socialist government would be under strong pressure to provide some palliative. Yet uncontrolled public sector spending has already allowed the public sector deficit to exceed that budgeted for the whole year. The inflation rate looks set to be 16 per cent instead of 12 per cent, and hard currency reserves have fallen this year $1.5bn ($872m) alongside a peseta which continues to slide.

The scale of inherited problems, combined with fears of antagonising the military during the early period of transition, made the Socialists deliberately shy away from wanting to govern. In the wake of the coup the Socialists suggested a coalition with UCD, now Sr Gonzalez appears willing to go it alone—or rather, events are forcing him to do so.

# Portugal resolves EEC banks question

By Diana Smith in Lisbon

PORTUGAL has been able to resolve the question of the EEC banks' right to set up in the country after its accession to the Community.

Lisbon had wanted a 10-year transition before EEC banks had the full right of establishment in Portugal. This, it argued, was to protect its nationalised banks against a sudden influx of competition, and to adjust them gradually to new demands.

Although the EEC wanted only five years, they compromised on seven at a deputies' meeting last Friday in Brussels.

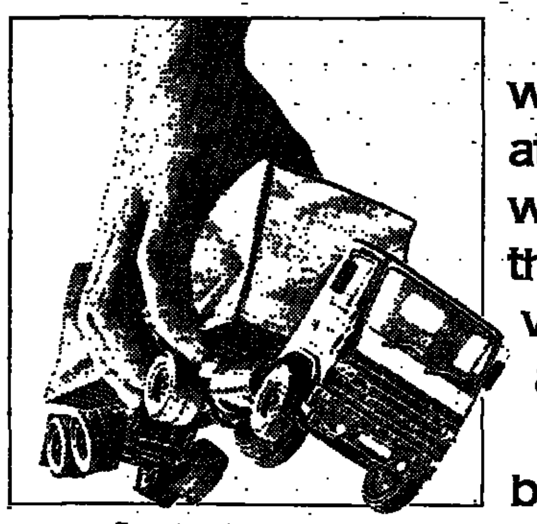
However, the negotiators failed to agree on the proportion of their resources EEC banks will be allowed to raise locally in Portugal. While the EEC wants the figure to be 50 per cent, Portugal wants 30 per cent, arguing that its banking system is too weak to bear more.

Other topics remain to be solved, including Lisbon's participation in the European Customs Union, the Coal and Steel Community, taxation, and external relations, which have preoccupied the two sides since June.

Following the EEC Council of Ministers' rejection of Portugal's request for a ministerial meeting to discuss textiles this week, another deputy negotiators' meeting will be held before the end of this month to try to settle the question.

Mr Kjeld Olesen, Denmark's Foreign Minister, who is also President of the EEC Council of Ministers, will be in Lisbon on an official visit later this week.


# Which saves you more money, a disposable truck or a Mercedes?



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# W. German exports to East bloc decline

BY STEWART FLEMING IN FRANKFURT

AMONG the industrialised countries, West Germany remains the most important trading partner for the Eastern European Communist states.

But its share of Western exports to the East has been declining steadily in the last few years and so too has the importance of exports to the East bloc within West Germany's own foreign trade, and the size of the Federal Republic's current account surplus with the East.

This is the conclusion which emerges from an analysis of the Federal Republic's financial relationships with the Communist bloc in the July monthly report of the Bundesbank, the West German Central Bank.

The report supports the arguments of those who have maintained that U.S. criticism of West Germany's close economic relationships with the East Bloc is founded in part on an exaggeration of the importance of East European trade to the Federal Republic.

The Bundesbank says that since 1975 the share of Communist bloc exports as a proportion of West Germany's *total* exports has fallen steadily from 7.9 per cent in that year to 4.9 per cent in 1981 and that in the current year the decline is continuing.

(The figures exclude trade with East Germany, which is treated separately in West Germany's accounts as inner German trade.)

Thus, whereas in the first five months of this year the Federal Republic's exports were 15 per cent higher, East bloc trade was down by 2 per cent.

Moreover, West Germany's share of Western industrial country exports to the East bloc, which was 25 per cent at its high point in 1975, had fallen to 19½ per cent by 1981.

The Bundesbank says that the explanation for the decline in West German trade with the East bloc at a time when a weak D-mark has been helping the country to regain market shares in other markets, reflects shifts in the structure of East-West trade relations.

It says that the Federal Republic, as the world's most important exporter of investment goods, has suffered from the economy measures of East bloc countries.

They have been holding back because of foreign exchange shortages and have also been increasing their imports of agricultural products and food as a result of poor harvests.

Thus, whereas in 1978 investment goods exports accounted for 47 per cent of West German exports to the East bloc, by 1981 the share was down to 41 per cent.

But the Central Bank points out that West German exports of raw materials and production goods such as chemical products and steel pipes suggest that to the East bloc countries such imports act as a cushion, with import demand focusing on products which either are not available domestically and which cannot be produced quickly, but which are essential.

The Bundesbank emphasises, however, that East European countries have reacted differently to the adjustment pressures on them and argues that therefore "these countries cannot be seen as a uniform group."

Thus, for example, there have been sharp falls in West German exports to certain countries — exports to Poland fell by 20 per cent last year and exports to Romania are also down sharply in the past two years — while sales to countries which have retained a special "standing" or have not borrowed heavily in the West, have risen. In 1981 exports to Hungary rose by 21 per cent, and to Bulgaria by 30 per cent.

But it is not just cuts in exports which account for the steady decline in West German current account surpluses with East Europe since 1975.

West German imports have also risen sharply as East bloc countries have attempted to cut their deficits and improve their financial position through increasing exports.

Thus, between 1978 and 1981, West German imports from Communist bloc countries have risen by 54 per cent, faster than in the previous three years—45 per cent. And in the first five months of this year, imports were up by a further 30 per cent.

The Central Bank says that the Federal Republic is not alone in this respect. In dollar terms, Japan and France have increased their imports by 100 per cent between 1978 and 1981, the U.S. by 90 per cent, and Italy by 60 per cent.

In West Germany's case, the rise in imports from the Soviet Union of 70 per cent in this period was due almost entirely to the rising price of energy imports.

About 7 per cent of West German energy imports come from the Soviet Union although at present oil imports are falling but natural gas imports increasing. But West Germany is also importing more from other East bloc countries, both finished goods and food.

TRADE BALANCE OF CENTRALLY PLANNED ECONOMIES*

| | Exports DM bn | Imports DM bn | Trade balance DM bn | Current account balance DM bn |
|---|---|---|---|---|
| 1978 | 17.6 | 12.1 | +6.2 | +6.0 |
| 1979 | 18.8 | 15.4 | +4.4 | +4.3 |
| 1980 | 19.4 | 16.8 | +3.6 | +4.1 |
| 1981 | 19.5 | 18.7 | +2.0 | +2.2 |

* Excludes DDR. Of which People's Republic of China 1981 exports DM 2.3bn, imports DM 1.6bn, current account +DM 1.0bn.

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# Belgrade provides $487m to help beleaguered banks

BY ALEKSANDER LEBL IN BELGRADE

THE YUGOSLAV authorities have provided $487m (£270m) this year to help hard-pressed Yugoslav banks meet their foreign obligations, and nearly half of this — $238.5m — has gone to one big institution, Privredna Banka of Zagreb, which still faces serious difficulties.

This was announced by Mr Janko Smole, a member of the ruling Federal Executive Council which is Yugoslavia's equivalent of a cabinet. He was speaking in Parliament late last week, during a session in which four laws were also passed to reduce temporarily banks' exposure, as well as to cut investment and budgetary spending.

Mr Zvone Dragan, the vice-premier in charge of the economy, has made it clear that while the Yugoslav Government is willing to let chronically weak banks and companies go under, it will see to it that their foreign borrowings are repaid in full.

This was the first precise indication of the help Privredna Banka has received from the National Bank this year, *although the nature of its problems*, which caused it to be late earlier this year on some foreign debt repayments, was already known.

The Zagreb-based bank has over-extended its lending for a number of ambitious projects in Croatia, including a petrochemical joint venture between INA, the Yugoslav oil company, and Dow Chemical of the U.S., an oil pipeline, motorway construction and other big infrastructure plans.

Privredna Banka is what is known in Yugoslav parlance as a "basic" bank, operating on its own, as distinct from an "associated" bank which groups together a number of "basic" banks usually from different republics. The associated banks are large and well placed to help any of their constituent banks. But Croatia, of which *Zagreb is the capital, happens* to be the only Yugoslav republic without an associated bank.

However, a rescue operation is under way for Privredna Banka. Mr Neven Barac, its president, has been demoted, and faces charges over economic misdemeanours. He has been replaced by Mr Tomislav Badovinac, a former vice-governor of the Yugoslav National Bank.

*Meanwhile*, the new legislation prohibits banks from guaranteeing investment loans—from domestic or foreign sources—which cannot be repaid from existing company funds. The laws which run only until the end of the year also bar banks from lending to cover construction cost overruns.

A limit of 17 per cent has been set on the increase in budgetary expenditure this year, and some social services, health and education, in particular, have been told they will have their funds blocked for three months. The Government of Mrs Milka Planinc is thus tightening even further the austerity strategy in effect for the past three years.

But prices are rising faster than expected. In the first half of 1982 retail prices rose 14.6 per cent on the December 1981 level, while the cost of living, a wider measure which includes services and housing costs, increased by 17.2 per cent over the same period.

# Yugoslavian call for crackdown in Kosovo

BY DAVID BUCHAN

THE YUGOSLAV parliament has called on prosecutors and judges to crack down on "anti-state" and "unlawful activity" in the troubled southern province of Kosovo.

The parliamentary resolution, urging "more resolute legal and other steps" against the unrest in Kosovo, was passed last Friday, the same day that a Kosovo court sentenced another nine ethnic Albanians to up to four years in jail for belonging to anti-state organisations.

Some sentences meted out recently have been as long as 15 years. Most of these relate to riots last year in which nine people were killed and several hundred injured as ethnic Albanians took to the streets to demand more autonomy.

But what is disturbing the parliament in Belgrade is the continuing pattern of communal strife in Kosovo, mainly in the form of harrassment by the ethnic Albanian majority against Serbs or Montenegrins who have been leaving the region.

# U.S. envoy in Paris hits back in protocol row

BY DAVID HOUSEGO IN PARIS

THE UNNAMED Pentagon official who last week accused France of concluding a secret protocol with the Soviet Union was effectively disowned yesterday by Mr Evan Galbraith, the U.S. ambassador in Paris.

But Mr Galbraith also underlined the dangers that Alsthom Atlantique, the French power engineering group, would run under U.S. law if it broke the U.S. embargo and supplied rotor blades for the Siberian gas pipeline.

The warning came amid conflicting reports that the French Government would instruct Alsthom to ignore the recent U.S. decision to extend sanctions on high technology products for the pipeline. Alsthom has a FFr 400m (£35m) contract to supply 40 sets of rotor blades, made under licence from General Electric of the U.S., as spare parts.

The ambassador said that the Pentagon official was not speaking on behalf of the U.S. Government and that his remarks "created a misunderstanding that should have been avoided." He said he thought that "we were at fault in bringing this up at this time."

The official's accusation that the secret protocol had undermined U.S. attempts before the Versailles economic summit to secure a united Western front to curb credits to the Soviet Union caused an uproar in Paris with strongly-worded denials from the Government and front page coverage in the Press.

# Industrialists hesitant on economic outlook

BY DAVID MARSH IN PARIS

FRENCH industrialists, caught in the pincer grip of the Government's domestic price freeze and the inflationary weakness of the franc, have become extremely hesitant about the economic outlook, according to the latest survey from the Bank of France.

The survey, the latest in a series of gloomy reports on the French economy since last month's devaluation, says companies intend to maintain their present low level of output until the holiday season ends in September.

But their forecasts for the final quarter of the year—when the Government faces the tricky question of re-negotiating a smooth ending for its four-month wage and price freeze—are "extremely reserved." Many industrialists declined even to make any predictions.

Industrial production rose slightly in June, following the flat performance of the previous two months.

In a separate report on the economy, the official statistics institute, Insee, forecasts that the French inflation rate could be kept down to about 10.6 per cent this year because of the price and wage freeze.

# Turkish economic package to be published soon

BY METIN MUNIR IN ISTANBUL

TURKEY'S new economy overlord, Mr Adnan Baser Kafaoglu, is working on a comprehensive stabilisation package, expected to be published in a month, officials said.

The package will contain Turkey's economic programme for the next 18 months. Mr Kafaoglu faces a series of delicate choices and has decided against rushing things through, the officials added.

His most difficult choice is how to inject liveliness into the depressed domestic market without fuelling inflation.

Probably the biggest problem he faces concerns the cost of loans, which has brought many businesses to the brink of insolvency and caused a large drop in most banks' lending portfolios.

Mr Kafaoglu became Minister of Finance last week, replacing Mr Turgut Ozal, the Deputy Prime Minister, who resigned as supreme planner of the Turkish economy.

Gen Jaruzelski

# Jaruzelski increases dominance in Poland

By Christopher Bobinski in Warsaw

THE CHANGES last week in the Polish party leadership point to the continued dominance of General Wojciech Jaruzelski.

But it is likely that his standing will drop another notch in the eyes of the public on Wednesday if, in a speech to parliament, he fails to fulfil expectations of major changes in the martial law regime.

Apart from freeing internees, the main emphasis is likely to be on unveiling "The Patriotic Movement for National Renewal," based on a network of committees set up soon after martial law was imposed last December.

The committees are seen by the authorities and presented in the media as groups of people of good will. They support the military authorities in their task of setting Poland's house in order after the devastation of the last year.

*Some 5,000 are in existence*, but they inspire little public confidence and are "made up of people who support the authorities in most situations" as one party member admitted.

The authorities have decided to widen the formula by giving the movement far-reaching, if vague, powers of consultation over official decisions and *they have formally included* the three small Catholic groups represented in parliament.

The move is typical of General Jaruzelski's more cautious style which the changes in the party leadership will give him a chance to develop.

The most important change is the removal of Mr Stefan Olszowski, an ambitious man and potential contender for the top post, away from day-to-day handling of the media—probably to become Minister of Foreign Affairs.

Mr Jan Glowczyk, editor of an economic weekly, will be taking over, but the change means in effect that control of media policy will be fully in the hands of General Jaruzelski and his allies such as *Mr Mieczyslaw Rakowski*, himself a journalist and a Deputy Premier.

The change is unlikely to bring any liberalisation, but possibly a change of style to a more persuasive tone.

Mr Olszowski ran the media in March 1968 during the crackdown on students, and many of his supporters from those days who were given influential posts are *now likely to* be replaced.

At the same time, General Jaruzelski has ditched Mr Hieronim Kubiak, a professor of sociology and one of the most open-minded members of the Politburo, who has lost his responsibility for culture and science.

For the moment, his responsibilities are expected to be *taken over* by Mr Josef Czyrek, who will continue to oversee foreign affairs in the party while yielding his ministerial post to Mr Olszowski.

While these changes went smoothly, the sacking from the politburo of Mr Jan Labecki, a worker from the Lenin shipyard in Gdansk produced a ripple of revolt in the central committee.

Thirty-one members voted against and 25 abstained, one-third of the members voting and present, over his resignation and this shows that there is a groundswell of feeling against removing officials representing the party grassroots in the central committee.

General Jaruzelski also brought four new members into the central committee, which should, in theory, be elected by the party congress.

In each case, a sizeable minority of central committee members voted against, and in the case of Mr Stanislaw Bejger, the new party chief in Gdansk, 65 voted against his being allowed on to the central committee.

*But it is the party hardliners* who are making play of such breaches of party rules, and it is they who are to be heard demanding that the leadership stick to the party statutes.

# Tobacco groups fined £800,000 for price fixing

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission has outlawed some of the key marketing practices of Dutch subsidiaries of major *international tobacco* companies and levied fines of more than £800,000 for breaches of EEC competition rules.

The fines have been imposed on manufacturers and importers as punishment for price-fixing agreements made in 1974, 1975 and 1978.

These aimed at stabilising market shares and, according to the Commission, amounted to a "serious breach" of Article 85 of the Treaty of Rome.

The companies affected and the fines levied are Sigarettenfabriek Ed Laurens Gravenhage (Fr 1.108.757), British American Tobacco (Nederland), Amsterdam (Fl 913,094), Turmac Tobacco Hilversum (Fl 847,873), R. J. Reynolds Tobacco (Fl 391,326), Philip Morris Holland, Amstelveen (Fl 326,105), De Koninklijke Bedrijven Theodorus Niemayer, Groningen (Fl 260,884).

In its ruling, the Commission has also banned a discount system for specialised retailers which has been practised since 1974. This fixed the level of discounts according to the total volume of purchases by the retailer from manufacturers participating in the arrangement rather than according to the sales of individual products.

The Commission claims that this practice restricted competition between manufacturers and importers and infringed Article 85.

The Commission also objected to agreements within the industry which fixed the profit margins for retailers. This prevented retailers from negotiating their margins with individual suppliers.

The Commission's decisions will require the dismantling of the Dutch tobacco industry's extensive self-regulation. They are closely in line with rulings issued in 1978 breaking up similar agreements in Belgium and Luxembourg.

# Arab summit is wanted, Genscher says

BY OUR BRUSSELS CORRESPONDENT

Herr Genscher

JORDAN and Egypt are showing growing interest in holding a summit of moderate Arab states in a bid to end the present turmoil in the Lebanon and prepare the ground for a broader Middle East peace settlement.

This was reported to EEC Foreign Ministers in Brussels yesterday by Herr Hans Dietrich Genscher, the West German Foreign Minister, and Mr Dries van Agt, the acting Prime Minister and Foreign Minister of the Netherlands. Both have just returned from visits to Amman and Jordan.

Herr Genscher told his colleagues that King Hussein of Jordan was gloomy about events in the Lebanon. But both he and President Hosni Mubarak of Egypt were anxious for an Arab summit aimed at charting a way out of the present crisis.

The two leaders are said to be willing to settle for a partial summit of moderate Arab states if hardliners such as Libya are unwilling to attend.

It is thought that one of the aims of such a summit might be to secure Palestinian acceptance of the so-called Fahd peace plan.

Drawn up a year ago by the then Crown Prince Fahd, the plan involved, among other things, recognition by the Palestinians of Israel's right to exist.

EEC Ministers decided yesterday to step up pressure on Mr George Shultz, the U.S. Secretary of State, to acknowledge the importance of negotiations with the Palestinians, including the Palestine Liberation Organisation.

M Claude Cheysson, the French Foreign Minister, said that the evolution of the PLO's position away from military towards political priorities could make this easier. "There will be no solution in the Lebanon without more strenuous efforts to settle the Palestinian problem," said one Minister.

Community Foreign Ministers were also concerned about the worsening conflict between Iran and Iraq. M Cheysson warned that it was not only threatening the stability of the Gulf but the wider balance in the Middle East.

● Greece told the Lebanese Government yesterday that it was ready to contribute a battalion of 300 troops to a multinational peace force in West Beirut, where the PLO is holding out.

Jordan and the Gulf war, Page 4

# Italy counts cost of heatwave

BY JAMES BUXTON IN ROME

MUCH OF Italy yesterday was back under a blanket of intense heat after rainstorms had only partially halted the damage caused by one of the hottest summers on record.

The storms which hit much of the country on Sunday and early yesterday appeared to have damped down many of the forest fires which have been raging for the past few days, mainly in the south—in Calabria and Campagnia—but also near Rome and in Liguria.

At one stage on Sunday a Nato headquarters near Naples was said to be in danger from fires in the surrounding woods. The small Italian fleet of fire-fighting aircraft has been constantly in action.

The fires have long-term detrimental effects on the countryside, making it more prone to erosion and easier for developers to build on. But more serious short-term economic damage has been caused by the two-month drought.

This has destroyed fields of cereal, maize and sugar beet and has also destroyed some vegetables. The worst-hit areas are mainly in the south—in Sicily where in many parts it has barely rained this year, and in Calabria, Basilicata and Puglia.

# Decision soon on Pope's Polish visit

BY OUR ROME CORRESPONDENT

A FINAL decision should be made in the next few days on whether the Pope will visit Poland next month. The Pope is due to meet Mr Josef Czyrek, the Polish Foreign Minister, today at his summer residence at Castelgandolfo.

Pope John Paul would like to visit Poland for the celebration of the 600th anniversary of the Black Madonna of Czestochowa on August 26. But although the Polish bishops recently repeated their invitations, the Polish Government is believed to want a postponement, on the grounds that the political situation is too delicate.

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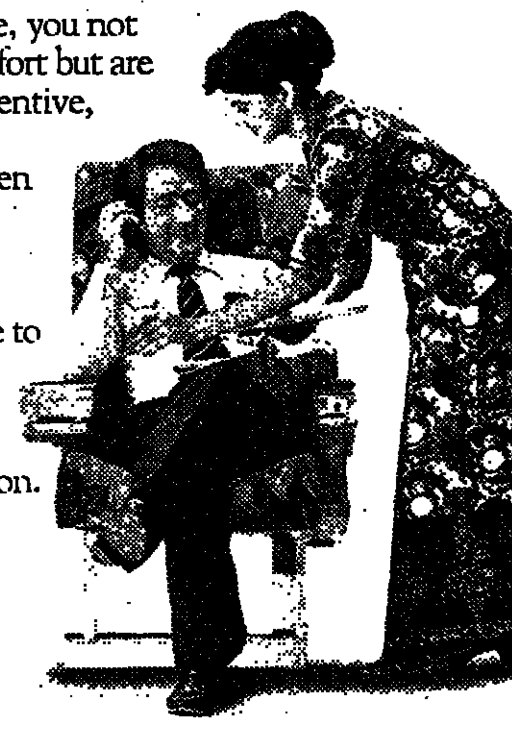

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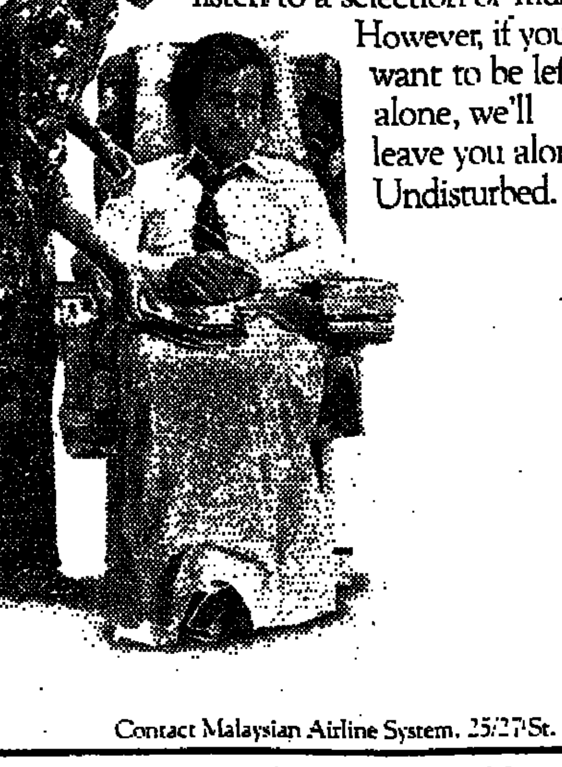

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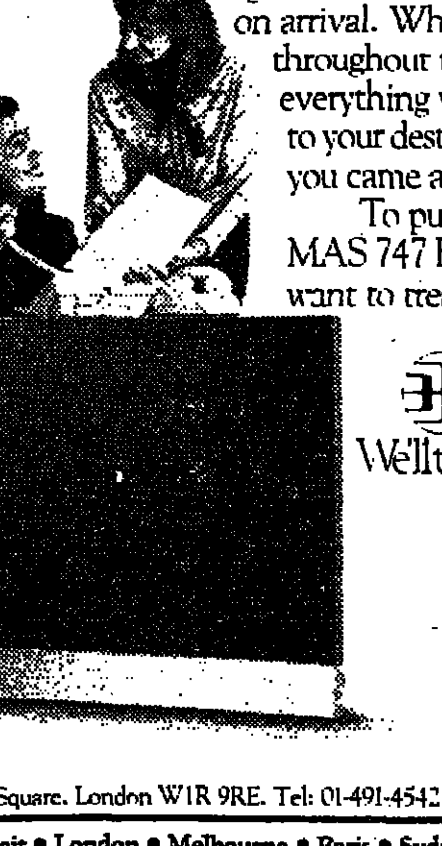

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# OVERSEAS NEWS

## Washington-Luanda talks fuel hopes for Namibia settlement

BY QUENTIN PEEL, AFRICA EDITOR

TALKS BEING HELD today in Washington and in Luanda, the capital of Angola, are seen as a critical step towards a peaceful settlement in Namibia (South West Africa).

The talks involve two key remaining issues—the presence of Cuban forces in Angola, and the role of South African-trained and locally-recruited military units in Namibia during the transition to independence.

Diplomats in London and New York with long experience of the negotiations are more optimistic than at any stage in the four years of Western-led efforts to implement a UN settlement plan. They believe that a settlement by the end of the month is possible, with a mid-August ceasefire declared in the 15-year guerrilla war.

Senior U.S. and South African officials, including Dr Chester Crocker, the U.S. assistant Secretary of State for Africa, and South Africa's top Namibia specialists—Dr Brand Fourie, the ambassador in Washington, and Mr Riaan Eksteen, the former ambassador to the UN — will meet in Washington today.

At the same time, General Vernon Walters, President Reagan's ambassador at large is in Luanda for talks with the Angolan Government on the withdrawal of Cuban troops from that country—which South Africa regards as a crucial factor in the settlement.

If the two sets of bilateral talks are successful, negotiations to finalise a settlement will resume in New York later this week, involving the UN, the five-nation Western contact group promoting the plan, the South West Africa People's Organisation (Swapo) whose guerrillas are fighting South African troops in Namibia, and the black front-line states of Southern Africa. Diplomats hope to have a plan ready to present to the UN Security Council by the end of July.

Although details of the UN involvement in Namibia, including the size, composition and deployment of both military and civilian units, and their cost, are still being worked out by the UN secretariat, the key issue to be resolved remains the presence of an estimated 15,000 to 20,000 Cuban troops in Angola.

Western negotiators are upset that the South African Government insists on publicly linking a Cuban withdrawal from Angola with a Namibian settlement.

The Angolan position is that the Cubans will withdraw, but only once any threat of South African aggression against Angola has been removed. They reject any attempt to make Cuban withdrawal a precondition for a Namibian settlement. A phased Cuban withdrawal may present grounds for a possible compromise.

Editorial Comment, Page 16

## Drop in Gulf oil price level 'unlikely'

By Ray Dafter, Energy Editor

GULF OIL producers are expected to maintain their oil prices around the reference level of $34 (£19.50) a barrel in spite of speculation within the Organisation of Petroleum Exporting Countries last week that they would reduce their rates.

But it was becoming clear yesterday that Opec's total rate of production has risen substantially above the 17.5m barrels a day considered by many members as essential to keep worldwide supply and demand in balance.

The authoritative Middle East Economic Survey reported that Saudi Arabia — the organisation's leading exporter — was unlikely to change its pricing or production policies in spite of the collapse of the Opec ministerial meeting earlier this month.

Saudi Arabia had urged Nigeria, Algeria and Libya to raise their prices by $1.50 a barrel to reflect the quality and distribution benefits of African crude above oil exported from the Gulf. When the African delegates refused there was considerable speculation that Saudi Arabia and its Gulf allies would lower their prices to achieve the desired differential.

The survey said it was unlikely that Saudi Arabia would demonstrate its power by cutting prices and boosting output. It suggested that the Saudis had two options:

● A token cut of about 50 cents a barrel. Such a move would be ineffective and could trigger a price war.

● Maintaining the $34 reference price and keeping the production ceiling at 7m b/d.

A senior Qatari Government official was quoted by the daily Gulf Times as saying that Qatar would also maintain its present production and pricing levels. Qatar produces around 300,000 barrels a day and charges $34.30 a barrel for its Marine 36 degrees API (American Petroleum Institute) oil.

Meanwhile the latest edition of Petroleum Intelligence Weekly estimates that Opec production last month climbed to at least 18.2m b/d compared with 16.7m b/d in May and 16.3m b/d in April.

## Malaysia shelves $260m plan to buy F-5 fighters

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA is to postpone the purchase of 16 U.S.-built F-5 jet fighters at a cost of $260m (£149.8m) because of government financial constraints.

However, in announcing this over the weekend, Mr Abang Abu Bakar, the Malaysian deputy Defence Minister, said Malaysia would go ahead with the purchase of 88 refurbished Skyhawks from McDonnell Douglas for about $330m.

The Pentagon last week announced it had informed the U.S. Congress of its readiness to sell the F-5 jets to Malaysia.

Because of depressed commodity prices, the Malaysian government's revenue is expected to be heading towards a sharp shortfall this year, and the 1982 budget had been trimmed by 13 per cent, amounting to $17bn.

As a result plans to build a $600m air base in Kelantan State, as well as defence bases in Johore and Sarawak have been frozen, while the intake to the armed forces is being reduced by half.

## Australia announces major boost for industry

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE AUSTRALIAN Government yesterday overturned calls for tariff reductions and lower protection levels in a major policy declaration. Instead, it unveiled substantial new assistance for mining and industry.

Significantly, the Government announced plans for an accelerated depreciation allowance for industry and more generous write-offs.

The measures will cost an estimated A$65m (£38m) in the current financial year, rising to A$975m by 1988. The package is a major boost for Australian industry, given that the current average write-off period in the manufacturing sector is about nine years.

The package's attraction is reckoned to lie in the fact that only a small portion of the overall cost will have to be allowed for in next month's budget, whereas its boost to investment and employment could be felt relatively soon.

That could pave the way for tax cuts in the budget, with the prospect of a double dissolution of parliament and a general election later this year.

It is thought the government may be contemplating a significant reversal of economic policy which could entail a budget deficit in the current financial year of up to A$2bn. The aim would be to counter the continuing effects of the international recession, and prime the pump for a snap election.

Mr Malcolm Fraser, the Prime Minister, has recently stepped up his criticism of the Australian Labor Party, and in Canberra yesterday virtually challenged Mr Bill Hayden, the ALP leader, to provoke him in to going to the polls.

Mr Fraser said at the weekend that the Labor Party had shown it "lacks the stability which Australia wants."

The Prime Minister stressed yesterday that Australia was feeling the impact of plummeting commodity prices, weak export demand, high interest rates and a fall in industrial competitiveness because domestic wage settlements, including claims for shorter hours, were out of step with world trends. Industry was also suffering a severe squeeze on profits.

"Investment in the resource sector will be maintained at relatively high levels for a time, as projects previously started or committed are brought to completion," said Mr Fraser.

"But while world economic conditions remain as they are, we cannot expect to see a return to the sort of substantial new investment decisions of a year or two ago. Investment in manufacturing, which has been at unsatisfactory levels for most of the 1970s, is likely to suffer another setback as a result of the continuing squeeze on profits."

But Mr Fraser stressed that the government would not weaken in its resolve to attack on inflation.

He claimed that the new depreciation package would "significantly enhance the long-term climate for investment in Australia." From today, manufacturing plant will be eligible for either a three- or five-year write-off, according to its present depreciable life, while most new plant used by primary producers will be depreciable over three years.

Mining and petroleum companies will have the option to depreciate their plant either under the general depreciation provisions, or under the mining and petroleum provisions in divisions 10 and 10aa of the Income Tax Assessment Act.

On industry protection, Mr Fraser said the government's hope for a stronger, more competitive manufacturing sector would not be best served at present, by further reductions in protection, particularly at a time when Australian exporters were facing increasing restrictions on their access to overseas markets.

But the Government remained committed to a winding-back of international trade distortions of all kinds, and would press its views at the Gatt ministerial meeting in Geneva in November.

Anthony McDermott reports on Amman's fears for the Gulf's future

## Jordan maintains support for Iraq

THE IRANIAN invasion of Iraq has confirmed many of the worst fears of King Hussein and his Government. A curious indicator of the seriousness with which the King is viewing events occurred recently. He left for a seven-hour meeting in Baghdad with President Saddam Hussein but, exceptionally, he was away from the Kingdom at the same time as his brother and Regent in his absence, Crown Prince Hassan, who was on an official visit to Turkey.

Reflecting the deep concerns of the Government here, Mr Adnan Abu Odeh, Jordan's Information Minister, said that the Iranians are seeking to create in Iraq a Shi'ite state satellite to Iran.

Mr Odeh said the Iranians had pressed into service "Tens of thousands of Iraqi deportees of Iranian origin and war prisoners of the Shi'ite sect," so as to claim that any territorial gains "have been liberated by the Iraqi liberation army." He added that Iran had already selected Ayatollah Mohamed Bakir Hakim to be head of the Shi'ite Islamic Republic of Iraq. Iran's intentions, he maintained, were in the long-term "to pump Iraqi oil to repair Iranian cities."

Iran's advance into Iraq appears to have as one of its aims cutting supply links with Kuwait. This underlines how much Jordan, through its commitment to Iraq, has acted as a strategic reserve for Baghdad. The port of Aqaba in the south illustrates this in economic terms. Politically, the risk remains strong that Iraq might turn to Jordan for greater involvement in the war.

As soon as the Iraq-Iran war broke out in the autumn of 1980, Jordan took an initiative rare for a country which normally prefers just to react to events, by pledging its support for Iraq against Iran. In doing so it aggravated further the already bad relations with its northern neighbour Syria.

A prime motive behind King Hussein's support for Iraq was his historical sense of the need for Arab unity against outside foes—in this case the Persians.

Jordan has not done badly out of the war. Early on, Iraq handed over 35 captured M-60 tanks. Jordan had already profited from becoming one of the main business centres in the Middle East following the 1975-76 civil war in Lebanon, but the alliance with Iraq has brought further benefits.

Numerous contracts have been won. The Iraqi government has invested heavily in the expansion of Aqaba port—improving the road links between Aqaba and Iraq—a railway feasibility study and a joint telecommunications project. Joint land and air freight companies have been set up. The two governments have agreed to carry out a feasibility study for bringing much-needed water from the Euphrates to north Jordan.

Iraq has been far more generous in its grants and aid than required by the terms of the Arab summit held in Baghdad in 1979. In the first year of the new alliance alone, Jordan is reported to have received aid of $300m and projected-tied finance (totalling $140m).

Above all, trade—direct and in transit—with Iraq has boomed.

The rise in Aqaba port's traffic has been spectacular, largely reflecting its importance for Iraq in goods ranging from military vehicles to regular imports. Aqaba's role has been increased since Syria closed its borders in April to goods travelling to Iraq. This left Turkey as the only other border with an accessible shared crossing point.

Between 1979 and 1981, port traffic has averaged an annual rise of over 19 per cent, reflecting perhaps the effects of port expansion. Traffic for the first three months of this year was up by one-third on the same period in 1981.

Imports through Aqaba (and it is reasonable to conclude from opaque official statistics that this means largely re-exports to Iraq) rose by over 90 per cent in 1981, and during the first three months of this year were still up comparatively by over 40 per cent. Were Kuwait to be cut off, and queues of trucks on the Turkish side of the crossing point with Iraq sometimes over 60 miles long, Aqaba will now become an even more important lifeline for President Saddam Hussein.


## Vietnamese 'seek peace pact' over Kampuchea

By Kathryn Davies in Singapore

MR NGUYEN CO THACH, the Vietnamese Foreign Minister, has reportedly told the Singapore Government that China must agree to sign a non-aggression pact with his country before Hanoi can agree to a withdrawal of all its troops from Kampuchea.

Following talks between Singapore Foreign Ministry officials and a Vietnamese delegation led by Mr Thach, Mr Suppiah Dhanabalan, the Singapore Foreign Minister, said that no significant progress had been made towards resolving the differences between Vietnam and Asean (Association of South East Asian Nations) over Kampuchea.

Asean does not recognise the pro-Vietnamese Heng Samrin administration in Phnom Penh and instead backs the "coalition government of Democratic Kampuchea" made up of three factions fighting to oust Vietnam's 180,000 troops from their country.

Mr Thach said in Singapore that Vietnam was making "a significant partial withdrawal" of its forces, including battle troops.

# AMERICAN NEWS

## Senior State Department officials nominated

By Anatole Kaletsky in Washington

President Ronald Reagan yesterday nominated three senior officials at the State Department to work with Mr George Shultz, the new Secretary of State.

The top appointment, deputy Secretary of State, goes to Mr Kenneth Dam, a longtime associate of Mr Shultz in previous government positions and another academic economist. Mr Dam will replace Mr Walter Stoessel, a career diplomat who has made known his eagerness to retire for some time.

Mr Dam is provost of the University of Chicago, an institution with which Mr Shultz has extensive ties. He previously worked for Mr Shultz in the Nixon administration, first as assistant director of the office of management and budget (OMB) when Mr Shultz was director, and then executive director of the council on economic policy when Mr Shultz was Treasury Secretary.

The two new under-secretaries of state nominated yesterday also have economic backgrounds. Mr William Schneider, who is to be under-secretary for security assistance, science and technology, is associate director of OMB for national security and international affairs.

Mr Allen Wallis, who will be under-secretary for economic affairs, is currently Chancellor of the University of Rochester.

Both these under-secretary posts have been vacant for several months.

The third under-secretary post in the State Department —political affairs — is retained by Mr Lawrence Eagleburger, a career diplomat recently promoted from being assistant secretary for European affairs.

What is notable about the new line-up at the State Department is that Mr Shultz has put experienced administrators with whom he has close personal links into senior posts and resisted any pressures to include "ideologues" from the conservative wing of the Reagan Administration.

## Decline in U.S. growth rate feared

BY DAVID LASCELLES IN NEW YORK

HOPES for an early recovery in the U.S. economy seem to be fading.

The U.S. Commerce Department will announce tomorrow the GNP growth rate for the second quarter. Economists expect it to show little change and possibly even a slight fall. The department's original "flash" estimate in June projected a GNP increase of 0.6 per cent.

Coming on the heels of a 3.7 per cent decline in the first quarter, a fall would suggest that overall growth of U.S. GNP this year could be very slight, given the uncertain prospects for the second half.

The latest statistics have not been encouraging. According to the Federal Reserve Board, industrial production declined 0.7 per cent in June, and the trend in retail sales, capacity utilisation, employment and car sales have all been weak.

"Economic recovery remains tentative," commented Morgan Guaranty Trust in its July "economy watch." It noted that while interest rates have begun to decline, they are unlikely to fall significantly because of strong demand for credit for government spending and private consumption.

Hopes of a stronger recovery had been partly built on the Reagan-mandated 10 per cent income tax cut which came into effect at the beginning of this month.

But Merrill Lynch, usually known for its optimism, warned in its weekly "business outlook" yesterday: "While almost by definition the recovery is consumer-led, a euphoric response by the consumer to the July 1982 tax cut is not in prospect."

Merrill says it continues to believe that any recovery will be disappointing, again mainly because of high interest rates. The gloom is not universal, of course. Economists at Citibank, who have been predicting for some time that interest rates would show a steady decline, believe the economy is poised for a summer recovery, provided the Fed allows the money supply to keep pace, and cuts its 12 per cent discount rate. The bank is counting on the effect of the tax cut and a growth in investment.

Yesterday's cut in the prime rate from 16½ per cent to 16 per cent was encouraging. But the move looked tentative, and some analysts fear the rate could go back up again if demand for credit picks up too quickly.

## Reagan leads 'budget balancing' protest

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

WASHINGTON has been the scene of so many protest marches and demonstrations that a pro-Government rally yesterday came as a surprise. It was an unusual gathering on the West front steps of the Capitol, at which the leading campaigner was none other than President Ronald Reagan himself.

Unlike the traditional mass marches along the Mall, Mr Reagan's "rally" was exclusive. The crowd was less than 5,000, by invitation only, and the elite demonstrators had to produce a special pass, walk through metal detectors, and turn over their briefcases and handbags for inspection.

The rally was the climax to a half-day of events, organised with the help of the White House, which aimed to put Mr Reagan at the head of the movement for a constitutional amendment requiring a balanced federal budget in the future.

Opponents, such as Democratic Senator Alan Cranston of California, were not slow to point out the irony of Mr Reagan's campaign at a time when he is presiding over record U.S. budget deficits.

"He is calling for a constitutional amendment to require him to stop doing what he is doing," said Senator Cranston.

But presidential advisers have decided to test the political water, in advance of November's mid-term elections, with what they see as forward-looking policies. Another that has been selected is the Caribbean Basin initiative.

Both issues are to be the subject of what are called White House "advocacy briefings" to selected audiences this week.

The idea is to focus public attention in new directions, away from the seemingly unending string of gloomy economic statistics.

To complete his budget-oriented day, Mr Reagan finally signed into law a $5.4bn (£3.14bn) supplementary appropriations Bill needed to keep various branches of Government running until the new fiscal year that begins on October 1.

He had vetoed two earlier versions of the Bill because they were too expensive. The White House said yesterday that presidential firmness had saved "close to $4bn" by forcing cuts in non-urgent spending.

## IBM computer secrets summonses sent to Japan

BY CHARLES SMITH IN TOKYO

JAPAN'S Foreign Ministry yesterday confirmed that it had received summonses addressed to the nine Hitachi employees who are alleged to have been involved in the IBM computer secrets case, but who were in Japan at the time the case broke. A tenth summons addressed to Hitachi itself has also arrived at the ministry.

The summonses were handed over yesterday morning by an official of the U.S. embassy in Tokyo. They require the people involved, who have been charged with conspiracy to transport stolen IBM computer secrets from the U.S. to Japan, to appear to the San Jose branch of the North California District court by 9.30 am on July 22.

The Foreign Ministry said yesterday it would require a Note Verbale from the U.S. Embassy as validation of the summonses and that pending the receipt of such a note it would not hand them to Hitachi.

The Note Verbale is expected to be delivered this morning. The ministry says it is "not in a position" to give any advice to Hitachi as whether or not it or its employees should obey the summonses.

Hitachi has so far taken the line that it will not advise its employees to appear at hearings on the IBM secrets case, even if they receive summonses.

Yesterday Hitachi said it had been advised by its U.S. legal counsel to make no more statements for the time being.

## Bolivian generals reject plan for civilian rule

BY HUGH O'SHAUGHNESSY

THE BOLIVIAN armed forces —facing national bankruptcy, fearing civilian vengeance for the excesses they have committed, and attacked by the powerful Catholic Church— have rejected a plan by Gen Celso Torrelio to resign from the Presidency and turn the Government over to civilians.

Senior officers are reported to be planning a three-man military junta which would replace Gen Torrelio. Meanwhile reports that Gen Faustino Rico Toro is seeking the presidency for himself continue.

Last week Gen Torrelio announced elections would be held in April and a new president would be installed in August.

In past weeks, Bolivia has had difficulty in servicing its foreign debt and has made various late payments because of foreign currency shortages.

Its long-term problems of trade deficit and large foreign debt have been exacerbated by short-term difficulties in discounting bills issued by the Argentine authorities in exchange for Bolivian natural gas.

Bolivia has not yet come to an agreement with the International Monetary Fund on its financial future though the Torrelio Government decreed a strict austerity programme in February.

Exports are lagging behind last year's total and are expected this year to be less than two-thirds of last year's figure.

## Argentina increases prices in state sector

By Our Correspondent in Buenos Aires

ARGENTINA'S government has announced big price rises from public sector corporations which threaten to undermine the benefits of wage increases given to state workers at the beginning of this month.

The higher charges imposed over the weekend, include 20 per cent on electricity and gas for private consumers and 30 per cent for industrial consumers, 28 per cent on public transport and up to 30 per cent on telephone charges.

Water and sewer rates went up by 20 per cent and postal charges by 26 per cent.

President Reynaldo Bignone, the retired general installed in office by the army on July 1, conceded over the weekend that the price rises were worrying but had been expected. He is overseeing a major shift in economic policy away from the monetarism of the six years since the 1976 military coup towards a reactivation of the economy.

Economists here say the reflationary measures already adopted by Dr Jose Maria Dagnino Pastore, the new Economy Minister, cannot help but be inflationary. They have included pay rises ranging from 20 to 31 per cent and back dated to July 1.

There is an open recognition among the military regime's political opponents that the measures needed to boost jobs will also push up prices.

Argentina's second largest political party, the Union Civica Radical, told its plenary committee meeting on Sunday, that the inflationary outlook was bad. During the next few weeks, the economy would "have to support a major inflationary impact," said a later statement.

However, the party avoided outright criticism of the economic policies of the government. In contrast, the smaller Movement for Integration and Development, which also issued a statement over the weekend, accusing the government of intending to use a promised elections as an anaesthetic while continuing the same basic economic policies.

## Venezuela's oil monopoly lowers its sales target

BY KIM FUAD IN CARACAS

JUST SIX MONTHS ago, Petroleos de Venezuela (PDVSA), Latin America's largest corporation, was celebrating record annual sales of $19.6bn (£11.3bn) and predicting an even better year in 1982.

Then, the bottom fell out of the market for the Venezuelan state oil monopoly, with prices and exports falling dramatically. At mid-year 1982, PDVSA has lowered its sights considerably: its sales are now expected to come to around $14bn as the result of a $3.25 per-barrel reduction in average sales prices and a 370,000 barrels per day cut in exports.

The cuts have also wiped out PDVSA's expectations of more than $3bn in profits this year. Instead, PDVSA will have to make do with the 10 per cent of pre-tax exports sales that it receives under law to cover capital investment requirements.

PDVSA's determination to maintain its planned $3.6bn investments this year, has led it to dip into its investment fund. This rose to $10bn in 1980, but has now been reduced to around $5.5bn.

Further, there is growing concern that the central government, which has also been hard hit by the decline in oil revenues, which provide two-thirds of budget financing, will use PDVSA investment funds for non-petroleum activities. Assurances by President Luis Herrera Campins that this will not occur has failed to allay oil industry fears completely.

Most observers feel that even if PDVSA's investment fund is untouched, the oil industry will not be able to replenish funds needed to cover investment plans due to prevailing world oil market conditions. They believe that PDVSA, despite its claims it will not do so, is likely to seek additional funding in international capital markets in the near future.

Foreign borrowing by PDVSA would further increase Venezuela's foreign debt, which was estimated at $19.1bn at the beginning of the year. While most bankers would be happy to do business with the state oil industry, foreign debt has become a major political issue in Venezuela.

Meanwhile, PDVSA has been forced to trim operating expeditures by 10 per cent and "redimension" major projects, such as the development of the Orinoco oil belt, with its one trillion barrels of heavy oil. This has meant eliminating plans for all new installations that can be covered by existing infrastructure.

COMPARATIVE FIGURES FOR 1982

| | Original | Revised |
|---|---|---|
| Production | 2.2* | 1.92* |
| Exports | 1.79* | 1.42* |
| | (U.S.$) | |
| Average export price | 30.41 | 27.16 |
| Export income | 19.7bn | 14bn |
| Government oil income | 13.8bn | 9.9bn |
| PDVSA costs | 3.2bn | 2.9bn |
| PDVSA investments | 3.6bn | 3.6bn |

* Million barrels a day.

## Newsprint mills to close

BY ANDREW FISHER

BOWATER will close temporarily next month two big newsprint mills in the U.S. and Canada, because of overcapacity in the U.S. market.

The UK group's Calhoun mill in Tennessee, the largest newsprint mill in North America, will be shut for 16 days from August 22, taking out some 30,000 tonnes of potential output.

The Corner Brook mill in Newfoundland will close for three weeks from August 3, with a production loss of 25,000 tonnes.

Bowater's decision follows similar moves by other North American paper companies affected by the problem of excess capacity. Major forest products groups in the construction sector have also suffered

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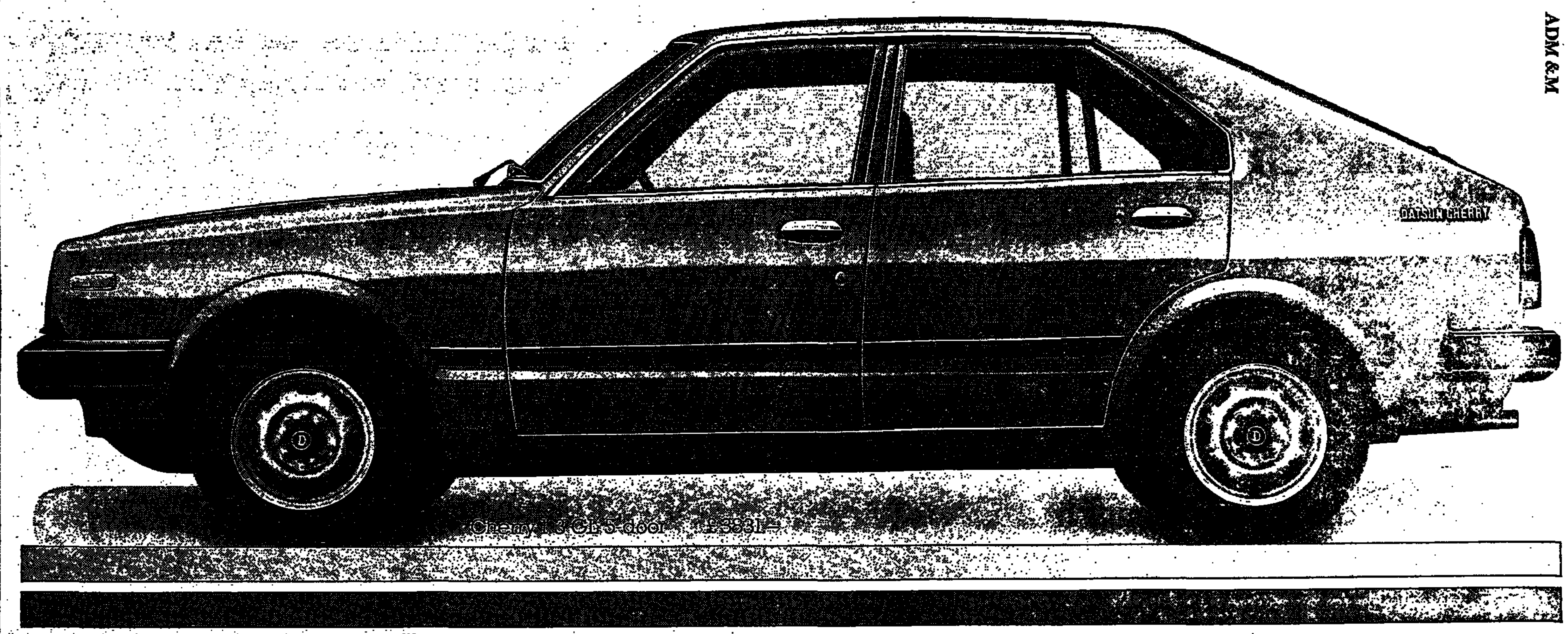


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*Based on 1981 production figures.

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# WORLD TRADE NEWS

## India approves telephone deal with CIT Alcatel

BY K. K. SHARMA IN NEW DELHI

THE INDIAN cabinet has approved the controversial $200m (£117m) deal with CIT Alcatel of France, on setting up an electronic telephone exchange factory in India. The contract is expected to be signed soon.

Nine other bidders are understood to have protested strongly against the award of the contract to CIT Alcatel, claiming that their offers were not examined before a letter of intent was given to the French company in mid-May. Among the bidders were British Telecom, which offered System X, Nippon of Japan, and Ericsson of Norway.

The bids by the 10 companies, including CIT Alcatel, were made in response to a global tender floated by the Indian Government as part of a major scheme to modernise the country's obsolete telephone system. After the bids were received in March, it was announced that the offers would take at least six months to scrutinise.

Protests by the other nine bidders have been rejected by the Indian Government which says that their offers are still valid since they are to be considered for another electronic telephone exchange factory to be set up.

The Government contends that all it has done is award the contract for the second factory before that for the first factory.

CIT Alcatel won the contract because of the French Government's offer of low-interest export credits for nearly half the cost of the factory. The remaining amount is expected to be raised in Eurocurrency loans.

The French company is to set up a factory to make 500,000 lines as well as to expand the capacity of an existing factory in Kerala state from 10,000 lines to 150,000 lines. The other factory, for which the bids are still to be examined, will be of another 500,000-line capacity.

## Chevron given continental shelf contract

By Our New Delhi Correspondent

CHEVRON International of California, which has been awarded the first contract to do exploratory drilling for oil in India's continental shelf, is to enter into a partnership agreement with two other companies for the work.

The two are Ocean Drilling and Exploration Company of the U.S. and Hispanoil, the Spanish state-owned company. Chevron has undertaken to invest $28m (£16.4m) in the first three years of drilling operation in what has been named Saurashtra Offshore Block 11 in the western continental shelf.

Chevron is to seek the Government's consent soon for a 25 per cent share in the project for each of the two companies which are expected to put up part of the finances and offer technical help.

Chevron has undertaken to drill at least three wells in the 18,500 square kilometre offshore block and has the option to continue operations for another two years after the initial three-year phase.

The Indian Government is to soon seek a second round of bids for exploratory drilling in the continental shelf

## British consultants in £60m mine project

BY OUR NEW DELHI CORRESPONDENT

BRITISH mining consultants have been awarded a £60m contract for developing a coal mine at Amlori which is linked to a £300m "super" thermal power station at Rihand in Uttar Pradesh state, also to be built by a British consortium.

The British Government will provide £30m aid to finance purchase of the equipment for the coal mine, the remaining costs being covered by British Government-guaranteed export credits.

Construction and other local costs for the mine will be met through Eurocurrency loans raised by Lazard Brothers, the British merchant bankers.

British Mining Consultants, the consultancy wing of the National Coal Board, has long-established links with the Indian mining industry and has played a key role in the introduction of longwall mining techniques and modern open-cast mining equipment in India.

The 1,000 MW "super" thermal power station at Rihand, which the new coal mine will supply, is to be built by a consortium led by Northern Engineering Industries (NEI) of Britain under an agreement signed following the visit of the Indian Prime Minister, Mrs Indira Gandhi, to London last March.

The Rihand project is also to be financed by British aid and British Government-guaranteed export credits, and Britain has thus won two major turnkey projects in India since the Government opened a number of developmental projects to foreign bidding.

However, a major loss for Britain this year was the £1.5bn steel plant to be built in Orissa state. The letter of intent given to Britain's Davy McKee on this was revoked last May amid controversy over terms of the contract.

The British financial package arranged for the Orissa project is still partly open, and Davy McKee and Lazards, which organised the Eurocurrency loans for it, have indicated their interest

## AEG-led group set for Tornado radar sale

By Kevin Done in Frankfurt

A GROUP of six West European electrical and electronics groups, under the leadership of AEG-Telefunken of West Germany as general contractor, are set to win orders totalling DM 800m (£168m) for radar equipment for the Tornado multi-role combat aircraft.

The first order was signed last week by AEG with Panavia, the joint venture of Messerschmitt-Bölkow-Blohm, British Aerospace and Aeritalia which are responsible for building the Anglo-German-Italian fighter aircraft.

The first contract was worth DM87m. In total Panavia is planning to buy 500 navigation and terrain-tracking radar sets for delivery up to 1988. The West German forces have ordered 300 Tornado aircraft.

The biggest share of the work has been won by AEG which expects to book 34 per cent of the total contract with Siemens taking 11 per cent. The British groups involved are Marconi and Ferranti along with Fiar and Elettronica from Italy.

The order comes as a significant boost for AEG, which is in the final stage of negotiating new temporary liquidity help from its consortium of West German banks.

### Swedes sell ore to Cockerill of Belgium

LKAB of Sweden and its subsidiary Compagnie des Minerais Suedois have finalised an agreement with Cockerill-Sambre SA and Clabecq SA of Belgium for a three-year contract covering export from Sweden of 5.5m tonnes of phosphorous iron ore, Reuter reports from Brussels.

The price is to be renegotiated annually but will probably start at about $20 per tonne. LKAB is likely to apply to the EEC Commission to obtain a European Coal and Steel Community credit to help finance its ore production.

### German TVs for Malta

Grundig, the German TV manufacturing concern, has been chosen by Malta as partner in a TV assembly venture which is scheduled to come on stream in the next two months, Godfrey Grima writes from Malta. The company, Magru Vision, will build close to 12,000 colour TV sets a year for the local and export markets.

In Taiwan, ways round import bans are easy to find, Bob King reports

## Trade embargo strains Tokyo links

WHAT DO consumers do when the Government bans imports of foreign-made, high-demand prestige items not available locally? Do without! Not in Taiwan!

Most would be content to do without the prized goods; but in Taiwan such a move is merely an invitation for importers to tap into the already flourishing black market.

When the Economic Affairs Ministry decided earlier this year to underline its displeasure over massive and continuing annual trade deficits with Japan, it banned over 1,500 consumer items — including televisions, appliances, and fast-selling video-tape recorders — from entering Taiwan. Naturally enough, some Taiwanese entrepreneurs sensed a chance for profits and sought ways round the ban.

In Taiwan "ways round" are easy to find, and it was not long before container-loads of Japanese goods, especially video-tape recorders, began arriving at this island's major ports. The containers were accompanied by bills of lading describing their contents as scrap iron and other worry-free commodities.

Nearly 500 newly-arrived VTR's turned up a month or so ago when police raided one establishment in Taipei. A more recent raid elsewhere in Taiwan uncovered others. But it is not clear how many other VTR's — and how many other banned items — have escaped the customs net.

But, smuggling aside, it also is not clear whether Taiwan's ban on imports will have any significant effect on its trade deficit with Japan, which last year totalled more than $3.4bn (£2bn) on total two-way trade of about $8.4bn. Although exact values of imports of the banned consumer items last year are not available, foreign trade board officials have said the imports were worth around $100m—an extremely small percentage of Japan's total exports of these items.

Underlying the relative dollar insignificance of the Ministry's ban, major Japanese newspapers took scant notice of the action at the time. One Taiwanese publication featured on its cover a depiction of a massive Sumo wrestler holding a failing Y. T. Chao, Taiwan's Economics Minister, well out of range and murmuring "let's talk."

Japan's overall view of Taiwan is not clear. Japan maintains representation in Taiwan similar to the American Institute, the U.S.'s substitute for full diplomatic recognition. Japan recognised the mainland China Government at the expense of Taiwan in 1972. But on the surface, at least, trade appears to be the only tangible link between the two countries, and it can be assumed that the trade embargo is straining whatever other relationships exist below the surface.

The Government has in recent years called for the Taiwanese voluntarily to buy fewer Japanese goods, and has also asked Japan to buy more Taiwanese wares.

Taiwan consumers are not especially partial to Taiwan-made goods. They consider Japanese products—both industrial and consumer—to be high quality, and do not mind paying higher prices. Industry in Taiwan prefers Japanese machinery rather than the U.S. or European varieties because prices are generally lower.

Mr Lim Yang-Kang, the Interior Minister, said in an interview last week that Taiwanese industry appears stuck in transition: it continues to try to make low-quality goods, but the low-cost labour that formerly made that type of operation profitable no longer exists. At the same time, Taiwan is not yet able to make sufficiently high-quality goods to compete with those of industrialised nations such as Japan or the U.S.

The Japanese themselves feel Taiwan does not produce the kind of goods quality-minded Japanese consumers want to buy.

Taiwan was perhaps more stung by Japan's seeming uninterest in doing something about the mounting deficit than the deficit itself. Indeed, the Government has indicated that the ban on consumer items will be lifted when the Japanese show "sincerity" in trying to solve the deficit problem.

For its part, Japan is probably more worried about the precedent the Taiwanese ban has set than about the trade dollars lost. According to one Japanese official, it is concerned that other nations with more clout might follow Taiwan's lead and invoke sanctions of its own.

Nevertheless, the pressure is on the Economics Ministry to find its way out of the imbroglio. A senior Taiwan Government official, for example, was reportedly critical of the Ministry's action in a briefing given to reporters recently. And a recent news report quoted a Government official as saying Taiwan was prepared to back down on the ban if the Japanese show "sincerity."

A delegation of members of the ruling Liberal Democratic Party arrives in Taipei today as part of an overall Asian tour. It is the first such official mission since the severing of diplomatic relations.

On the agenda are talks on narrowing the trade deficit. Whether or not the talks will result in a lifting of the ban on consumer items is unclear, but a well-placed official said last week that the Economic Minister is already in favour of ending an embargo on imports of Japanese-made heavy trucks and buses imposed earlier this year to protect Taiwan's fledgling heavy-vehicle industry.

But whatever actions are taken on the bans, it seems likely that the trade imbalance will continue for some time.

## Japan applies full tariff on Taipei resins

BY RICHARD HANSON IN TOKYO

JAPAN HAS started applying the full tariff on certain plastic resin imports from Taiwan, which have already exceeded a yearly ceiling on such imports under a special preferential tariff programme.

The Japanese petrochemical industry, in the midst of a severe depression, apparently put pressure on the Ministry of International Trade and Industry to apply the normal tariff on polyethylene, polystyrene, polypropylene and polyvinyl chloride from Taiwan.

MITI has the option to do so under the rules of its preferential tariff scheme if imports from one country exceed half of the annual global generalised system of preferences quota.

Taiwan's exports of those four resins total Y2.46bn (£5.6m) in April and May alone, the first two months of the fiscal year. This figure is greater than the Y2.26bn estimate for 50 per cent of this year's global quota. Taiwan and South Korea are the two main suppliers of such resins under the quota. South Korea is also nearing its limits.

Imports of the resins from Taiwan have risen sharply partly as a result of price advantages over the domestic industry in Japan created by exchange rate movements.

The Japanese petrochemical industry is already operating far below capacity. Moves are afoot to cut back drastically on production capacity and rationalise the industry.

According to MITI, Taiwan has not yet complained about the move. Under the GSP, the resins in question were imported with low tariff. From July *ad valorem* duties have been applied.

When a high level trade mission from Japan's ruling Liberal Democratic Party, led by Mr Masumi Esaki, arrives in Taiwan today to help patch up ties, it is believed Taiwan will agree to relax its ban on imports of about 1,500 consumer products from Japan.

The government may also announce a long-expected decision on establishing a joint venture with a Japanese company to produce passenger cars in Taiwan.

Toyota Motor, Japan's number one car maker, is said to have been selected for the venture.


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| OPERATING RESULTS—ALL PRODUCTS | Quarter ended 30.6.1982 | Quarter ended 31.3.1982 |
|---|---|---|
| Ore milled (t) | 1 932 000 | 1 927 000 |
| Gold—produced (kg) | 7 931 | 7 672 |
| —yield (g/t) | 4.11 | 3.98 |
| Uranium—pulp treated (t) | 1 655 000 | 1 668 000 |
| —oxide produced (kg) | 148 100 | 143 190 |
| —yield (kg/t) | 0.089 | 0.086 |
| Pyrite—concentrate recovered (t) | 22 970 | 23 643 |
| Sulphuric Acid—produced (t) | 31 896 | 24 947 |
| Total Revenue (R/t milled) | 54.19 | 55.47 |
| Total Costs (R/t milled) | 41.22 | 40.66 |
| Total profit (R/t milled) | 12.97 | 14.81 |
| Gold price received (R/kg) | 11 704 | 11 594 |
| ($/oz) | 337 | 365 |
| FINANCIAL RESULTS (000's) ALL PRODUCTS | | |
| Revenue — Gold, Silver and Osmiridium | R93 070 | R89 127 |
| —Uranium, Pyrite and Sulphuric acid | R11 618 | R17 777 |
| Total revenue | R104 688 | R106 904 |
| Costs | R79 639 | R78 360 |
| Working profit | R25 049 | R28 544 |
| Sundry revenue—net | R2 620 | R5 926 |
| Profit before taxation and State's share of profit | R27 669 | R34 470 |
| Taxation and State's share of profit (see note) | R349 | R12 747 |
| Profit after taxation and State's share of profit | R27 320 | R21 723 |
| Capital expenditure | R18 805 | R10 351 |
| Dividend declared | — | R24 196 |
| Loan levy refund (1975) | — | R224 |

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R3 334 000. Capital expenditure for the financial year ending 30th June, 1983 is provisionally estimated at R28.9 million and will be reported on in more detail in the annual financial statements.

HARMONY 4 SHAFT COMPLEX

The main shaft collar is complete and sinking at the planned rate is due to start in mid-July. The ventilation shaft was sunk 32 metres during this quarter to a total depth of 37 metres. Work on this shaft has now stopped in order to start the sinking of the main shaft.

TAXATION AND STATE'S SHARE OF PROFIT

Because of the higher capital expenditure for the year ended 30th June, 1982, there is no liability for Mining Tax or State's share of profit. There is, however, a liability for non-mining tax.

For and on behalf of the Board.
D. T. WATT (Chairman), C. G. KNOBBS — Directors

9th July, 1982

### DURBAN ROODEPOORT DEEP, LIMITED

ISSUED CAPITAL: R2 325 000 IN SHARES OF R1.00 EACH.
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH JUNE, 1982.

| OPERATING RESULTS | Quarter ended 30.6.1982 | Quarter ended 31.3.1982 | 6 months ended 30.6.1982 |
|---|---|---|---|
| Ore milled (t) | 570 000 | 559 000 | 1 129 000 |
| Gold produced (kg) | 2 099.0 | 2 104.9 | 4203.9 |
| Yield (g/t) | 3.68 | 3.77 | 3.72 |
| Revenue (R/t milled) | 42.74 | 44.01 | 43.37 |
| Cost (R/t milled) | 40.24 | 40.90 | 40.57 |
| Profit (R/t milled) | 2.50 | 3.11 | 2.80 |
| Revenue (R000's) | 24 362 | 24 602 | 48 964 |
| Cost (R000's) | 22 934 | 22 865 | 45 799 |
| Profit (R000's) | 1 428 | 1 737 | 3 165 |
| Gold price received (R/kg) | 11 576 | 11 663 | 11 620 |
| ($/oz) | 335 | 367 | 351 |
| FINANCIAL RESULTS (000's) | | | |
| Working Profit—Gold | R1 428 | R1 737 | R3 165 |
| Sundry revenue (net) | R538 | R829 | R1 367 |
| State assistance claimed—see note | R1 968 | — | R1 968 |
| Profit before taxation | R3 934 | R2 566 | R6 500 |
| Taxation | — | — | — |
| Profit after taxation | R3 934 | R2 566 | R6 500 |
| Capital expenditure | R5 860 | R5 048 | R10 905 |

DIVIDEND

It was decided not to declare an interim dividend for the year ending 31st December, 1982.

CAPITAL EXPENDITURE

The rate of spending on capital projects will be adjusted wherever possible in order to conserve cash resources.

There are commitments for capital expenditure amounting to R5 100 000. The estimated total capital expenditure for the remainder of the current financial year is R8.0 million.

STATE ASSISTANCE

The Government Mining Engineer has provisionally approved capital expenditure of R5 534 000 to be incurred during 1982 as qualifying for State assistance under the Gold Mines Assistance Act, 1968.

For and on behalf of the Board.
D. T. WATT (Chairman), H. G. MOSENTHAL — Directors

9th July, 1982

### EAST RAND PROPRIETARY MINES, LIMITED

ISSUED CAPITAL: R5 544 000 IN SHARES OF R1.00 EACH.
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH JUNE, 1982.

| OPERATING RESULTS | Quarter ended 30.6.1982 | Quarter ended 31.3.1982 | 6 months ended 30.6.1982 |
|---|---|---|---|
| Ore milled (t) | 654 000 | 611 000 | 1 265 000 |
| Gold produced (kg) | 2 770.8 | 2 404.7 | 5 175.5 |
| Yield (g/t) | 4.24 | 3.94 | 4.09 |
| Revenue (R/t milled) | 48.34 | 45.92 | 47.17 |
| Cost (R/t milled) | 55.99 | 59.12 | 57.50 |
| Profit/(Loss) (R/t milled) | (7.65) | (13.20) | (10.33) |
| Revenue (R000's) | 31 618 | 28 057 | 59 675 |
| Cost (R000's) | 36 619 | 36 124 | 72 743 |
| Profit/(Loss) (R000's) | (5 001) | (8 067) | (13 068) |
| Gold price received (R/kg) | 11 391 | 11 644 | 11 509 |
| ($/oz) | 326 | 363 | 343 |
| FINANCIAL RESULTS (000's) | | | |
| Working profit/(loss) | (R5 001) | (R8 067) | (R13 068) |
| Sundry revenue (net) | R1 238 | R1 276 | R2 514 |
| State assistance overclaimed in 1981 | (R695) | — | (R695) |
| State assistance claimed—(see note) | R7 905 | R7 014 | R14 919 |
| Profit before taxation and State's share of profit | R3 447 | R223 | R3 670 |
| Taxation and State's share of profit | — | — | — |
| Profit after taxation and State's share of profit | R3 447 | R223 | R3 670 |
| Capital expenditure | R5 392 | R7 318 | R12 710 |

DIVIDEND

It was decided not to declare an interim dividend for the year ending 31st December, 1982.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R11 618 000. The estimated total capital expenditure for the remainder of the current financial year is R13.5 million.

UNDERGROUND FIRE

The underground fire which was referred to in the report for the quarter ended 31st March, 1982, affected gold production to a limited extent during this quarter. Production from the affected area was resumed on 14th April, 1982.

STATE ASSISTANCE

The Government Mining Engineer has provisionally approved capital expenditure of R16 278 000 to be incurred during 1982 as qualifying for State assistance under the Gold Mines Assistance Act, 1968.

For and on behalf of the Board.
D. T. WATT (Chairman), H. G. MOSENTHAL — Directors

9th July, 1982

### BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R6 000 000 IN 24 000 000 SHARES OF 25 CENTS EACH.
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH JUNE, 1982.

| OPERATING RESULTS | Quarter ended 30.6.1982 | Quarter ended 31.3.1982 |
|---|---|---|
| Gold | | |
| Ore milled (t) | 562 000 | 549 000 |
| Gold produced (kg) | 4 873.7 | 5 055.2 |
| Yield (g/t) | 8.67 | 9.21 |
| Revenue (R/t milled) | 100.79 | 105.44 |
| Cost (R/t milled) | 54.00 | 51.63 |
| Profit (R/t milled) | 46.79 | 53.81 |
| Revenue (R000's) | 56 641 | 57 887 |
| Cost (R000's) | 30 345 | 28 345 |
| Profit (R000's) | 26 296 | 29 542 |
| Gold price received (R/kg) | 11 598 | 11 436 |
| ($/oz) | 333 | 358 |
| Uranium oxide | | |
| Pulp treated (t) | 467 851 | 444 515 |
| Oxide produced (kg) | 69 301 | 74 346 |
| Yield (kg/t) | 0.148 | 0.167 |
| FINANCIAL RESULTS (000's) | | |
| Working Profit—Gold | R26 296 | R29 542 |
| Working Profit—Uranium Oxide | R1 698 | R5 033 |
| Sundry revenue (expenditure)—(net) | (R171) | R1 474 |
| Profit before taxation and State's share of profit | R27 823 | R36 049 |
| Taxation and State's share of profit | R13 590 | R22 225 |
| Profit after taxation and State's share of profit | R14 233 | R13 824 |
| Capital expenditure | R4 120 | R3 557 |
| Dividend declared | R21 600 | — |
| Loan levy refund (1975) | — | R1 522 |

DIVIDEND

Final dividend No. 73 of 90 cents per share was declared on 7th June, 1982 payable on or about 30th July, 1982 to shareholders registered at the close of business on 25th June, 1982.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R1 453 000. Capital expenditure for the financial year ending 30th June, 1983 is provisionally estimated at R15 million and will be reported on in more detail in the annual financial statements.

TRIBUTE AGREEMENT WITH WEST DRIEFONTEIN GOLD MINING COMPANY, LIMITED

In terms of a tribute agreement between West Driefontein Gold Mining Company, Limited, and this company, concluded on 9th November, 1979, royalties amounting to R2 590 000 are due to that company for the quarter ended 30th June, 1982. This amount is included in "Sundry revenue (expenditure)—net".

GENERAL

The reduction in the gold yield for the quarter was due to a drop in tonnage mined from the West Driefontein tribute area. Tonnage from this area will progressively decrease as mining thereof approaches completion.

For and on behalf of the Board.
D. T. WATT (Chairman), J. R. FORBES — Directors

9th July, 1982

### WELGEDACHT EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL: R4 090 813 IN SHARES OF 45 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30 JUNE, 1982 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARY.

| OPERATING RESULTS | Quarter ended 30.6.1982 | Quarter ended 31.3.1982 |
|---|---|---|
| Tons sold—metric | 597 854 | 609 104 |
| Working Profit—cents per ton | 394.1 | 505.0 |
| FINANCIAL RESULTS (000's) | | |
| Working profit | R2 356 | R3 076 |
| Net railway revenue | R548 | R17 |
| Net sundry revenue | (R83) | R61 |
| PROFIT BEFORE TAXATION | R2 821 | R3 154 |
| Taxation | (R16) | — |
| PROFIT AFTER TAXATION | R2 837 | R3 154 |
| Capital expenditure | R2 924 | R3 314 |
| Drilling and exploration (included in net sundry revenue) | R23 | R60 |
| Dividend declared | — | R1 091 |

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R6 800 000. The estimated total capital expenditure for the remainder of the current financial year is R6 773 000.

GENERAL

Working profit dropped as a result of lower export realisations which vary depending on the contracts serviced during the quarter.

For and on behalf of the Board.
A. A. SEALEY (Chairman), R. B. MACGILLIVRAY (Deputy Chairman) — Directors

9th July, 1982

### WITBANK COLLIERY, LIMITED

ISSUED CAPITAL: R13 831 454 IN ORDINARY SHARES OF R2 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30 JUNE, 1982 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARIES.

| OPERATING RESULTS | Quarter ended 30.6.1982 | Quarter ended 31.3.1982 |
|---|---|---|
| Tons sold—metric | 3 394 113 | 3 079 748 |
| Working Profit—cents per ton | 784.8 | 783.4 |
| FINANCIAL RESULTS (000's) | | |
| Working profit | R26 638 | R24 126 |
| Net sundry revenue | (R149) | (R244) |
| PROFIT BEFORE TAXATION | R26 489 | R23 882 |
| Taxation | R4 719 | R1 286 |
| PROFIT AFTER TAXATION | R21 770 | R22 595 |
| Capital expenditure—(gross) | R16 295 | R20 611 |
| Additional investment in Duvha included in Capital Expenditure | R2 866 | R3 751 |
| Exploration expenditure—(included in net sundry revenue) | R138 | R271 |
| Dividend declared | — | R11 606 |

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R102 417 000. The estimated total capital expenditure for the remainder of the current financial year is R30 388 000.

For and on behalf of the Board.
A. A. SEALEY (Chairman), R. E. MACGILLIVRAY (Deputy Chairman) — Directors

9th July, 1982

GENERAL NOTE

All financial figures are subject to audit.

*Copies of these quarterly reports are obtainable from the United Kingdom Registrars and Transfer Agents, Charter Consolidated P.L.C., P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.*


## Ten countries in shipping protest to Indonesia

JAKARTA—Britain and nine other West European countries are protesting to Indonesia about a new policy requiring all Government cargoes to be shipped in Indonesian vessels, diplomats said yesterday.

A strongly-worded Note to be delivered to the Foreign Ministry today says the policy "constitutes a significant departure from the principle of equal treatment on which commercial shipping relations with the Government of the Republic of Indonesia have traditionally been based."

The other countries are West Germany, the Netherlands, Italy, Denmark, Sweden, Belgium, Finland, Greece and Norway—all members of the Organisation for Economic Co-operation and Development. Japan and the U.S. have already protested.

Shipping industry officials estimate that about 20 per cent of cargo from Europe to Indonesia and as much as 45 per cent of freight in the other direction could be construed as Indonesian Government cargo, the latter including a large amount of raw materials such as rubber from Government-run plantations.

However, industry officials said the real target of the new policy is the U.S.-Indonesia freight market, where Indonesian vessels now carry around 20 per cent of the total.

The diplomats said France had been invited to join the protest, but its embassy in Jakarta said it had received no instructions from Paris on the subject.

France's Foreign Trade Minister, M Michel Jobert, is understood to have raised the new policy with Indonesia during a visit to Jakarta earlier this month.

The policy has also drawn a protest from foreign shippers who say they stand to lose business worth millions of dollars.

It orders that all export and import commodities must be carried by vessels operated by Indonesian shippers. These include imports financed by the state budget, including items paid for by foreign aid, as well as commodities owned by state-run commercial bodies.

However, it is not clear what the Government intends to do with shipments by the state oil company, Pertamina. Some 90 per cent of Indonesia's oil is at present carried by non-Indonesian-flag vessels. Reuter

## Doubts over Malaysia, East bloc barter ties

KUALA LUMPUR—Malaysia's Prime Minister recently said his Government is studying the possibility of barter trade with the Communist bloc, but local businessmen and diplomats see little prospect for change in the current strong trade links with the West.

Prime Minister Mahathir Mohamad said last week barter trade would help overcome the foreign exchange problems faced by Communist nations in East Europe. Malaysia already has some trade links with the Soviet Union, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania and Yugoslavia.

But non-Communist diplomats and foreign and Malaysian businessmen say the Government will face a number of problems in promoting the proposed barter trade. Communist nations, they say, can offer Malaysia only a limited range of products without satisfactory after-sales service.

An executive of a trading concern with trade contacts in East Europe said his company's machinery and equipment could be marketed in Malaysia, but is modelled to standards in the Soviet Union, while Malaysian industry is modelled after Western standards.

Malaysia would have to identify precisely what products could be marketed before embarking on barter trade, he said, and the East bloc may have to modify models and standards.

One government official said that earth-moving machines the Soviet once donated to a Government project in northern Malaysia broke down soon after they were put to use, and with no spare parts in sight, the machinery was abandoned.

Promotion through advertising and exhibitions is necessary to break into this Western-orientated market, said some businessmen.

But others pointed out that the Soviet Union spent more than $1m bringing radios, tractors, fans and other products for an exhibition here 15 years ago, but did not make any headway.

Lada and Polski automobiles (Fiat 124 and 125 models) made in the Soviet Union and Poland, for example, have been in the Malaysian market for several years. But there are few of these cars on the road although they can be purchased at bargain rates. Re-sale value is almost nil.

"Communism is banned in Malaysia and Malaysians have been told for many years Communism is bad and its products no good," said a South Korean investor.

He added that Malaysians are quality-conscious and brand-conscious.

"It is prestigious to drive a German Mercedes, wear an American shirt. ... It is hard for the East Europeans to beat that" he said. AP

# Britain 'should take lead on EEC energy policy'

BY RAY DAFTER, ENERGY EDITOR

THE Government is today urged to take the lead in pressing for a more effective energy policy within the European Community.

A paper published by several leading research institutes argues that the UK should support a £1bn-a-year Community fund to finance projects which may not be justified on strict commercial grounds.

These projects could be on a relatively small scale, such as demonstration plants for new technologies, or major schemes, such as gas pipeline networks which could be to the benefit of Europe as a whole rather than just a single member country.

The author, Dr Nigel Lucas, a lecturer in the mechanical engineering department of Imperial College, London, suggests that money for the fund could be raised through the imposition of a 1 per cent tax on imported oil.

Dr Lucas, pointing out that the UK is a net exporter of oil, writes: "At the most mercenary level, if the UK takes the initiative on a European energy policy she could hope to influence the content in such a way that she paid less than the others and took more out.

"The main difference between the UK and the other member states of the Community is not that she stands to gain more than others from a European energy policy but that she has a better chance of bringing it about if she were to take an initiative."

The UK was well placed to take the initiative because of her special position as a major oil, coal and natural gas producer.

As part of a common policy, writes Dr Lucas, the UK should adopt a "more extrovert" attitude to her gas reserves. A pipeline link should be built between the North Sea, Britain and the continental gas transmission system. This would help the movement of gas from Norwegian waters of the North Sea.

Such a network, which might be partly financed by a Community fund, would add to the overall security of gas supplies in Europe. Properly designed, it should also reduce the overall costs of developing North Sea gas. Dr Lucas adds that the existence of a pipeline network need not necessarily lead to the UK export of gas, if this was regarded by the Government as undesirable.

In another report in the energy series, researcher Mr Louis Turner argues that the International Energy Agency, backed by almost all of the developed countries, is a "responsive" and "flexible" body which fully deserves continued UK support.

It is pointed out that the UK already plays a leading role in IEA operations. The UK was committed to the agency's emergency oil sharing scheme, which would be triggered by a major energy crisis, but it might not be unduly hit.

The formula behind the oil-sharing scheme could work in the UK's favour. "The image of the UK diverting North Sea oil to foreign customers while the British consumer goes short is very wide of the mark," writes Mr Turner.

Both reports are published by the British Institutes' Joint Energy Policy Programme, operated under the joint auspices of the Policy Studies Institute and the Royal Institute of International Affairs. The British Institute of Energy Economics is also associated with the programme.

*Energy, the UK and the European Community, by Nigel Lucas. Energy Paper No. 5: £4.50. UK Interests and the International Energy Agency by Louis Turner. Energy Paper No. 4. £4.50. Both published by the Policies Studies Institute, 1/2 Castle Lane, London SW1E 6DR.*

# House prices static

By Andrew Taylor

HOUSE PRICES continue to show no signs of any significant increase despite the rising activity in the housing market, says the Royal Institution of Chartered Surveyors in its latest monthly survey of house prices, published today.

Seventy per cent of the 203 estate agents replying to last month's survey said that prices had remained static in the three months ending in June. This was a slightly higher proportion than the 65 per cent of the previous month.

The institution said nearly 27 per cent of agents had reported small price increases in June compared with a third in the May quarter.

Mr John Thomas, the institution's housing spokesman, said that reports on price movements differed greatly from region to region but that higher prices recorded in some areas and for different types of dwelling pointed to "an annual increase of no more than 8 per cent."

"Contrary to some reports, the latest RICS survey reveals virtually no change in the rate of increase in house prices in the last quarter compared with the quarters ending in April and May," said Mr Thomas.

# Nottingham opens conference hall

## The Royal Centre could prove to be a big asset. Lorne Barling writes

NOTTINGHAM'S Royal Centre, its conference centre, concert hall and theatre complex, now looks ready to become a financial and cultural asset to the city after having its completion held up for three years by a political wrangle between opposing parties on the council.

The conference and concert hall is due to open in early November and will round off a controversial £17m development project which has included the successful refurbishment of the Theatre Royal, occupying the other half of the city centre site.

The theatre was finished in the mid-1970s, but construction of the conference hall was frozen for three years in the late 1970s when the Conservatives controlled the council, having pledged themselves to cut spending.

The return of Labour in 1979 revived the project. But changes in the economics of conferences in the interim meant an increase in its size, no doubt to the chagrin of the Tories, and its final cost was £12m. Around £5m had been spent on the theatre.

Mr Robin Anderson, the city's conference officer, is confident that the hall, which has seating for 2,500 people on three levels, will be popular, profitable for the council and will benefit the city.

He estimates it will need to be in use four days a week to break even, and with booking for up to 40 per cent of the time already confirmed for next year, prospects are considered fairly good.

But he is well aware that with a number of new conference centres in Britain, such as one being built at Bournemouth, Cardiff's, which will open in October, and the Barbican Centre in London, which opened this spring, the competition will be tough.

Nottingham has been invited to discuss joining the "big five" conference centres—the National Exhibition Centre in Birmingham, Harrogate, Wembley, the Barbican and Brighton—in the British Conference and Exhibition Centre Export Council.

This body markets all these centres abroad and could be helpful to Nottingham in attracting foreign business. But Mr Anderson believes the city may go it alone.

"I am waiting to hear what they can do for us," he says, and adds that the Royal Centre is doing its own promotion in Brussels in October.

Confidence such as this stems partly from the generally acclaimed design of the hall, which includes a 35-tonne acoustic canopy which hangs on steel hawsers above the stage like a futuristic spacecraft.

The canopy can be raised or lowered, according to the acoustic responses required, to suit the size and nature of the event in progress. The natural reverberation of the hall will suit serious music, while sound absorption "banners" can be lowered for conferences or rock concerts.

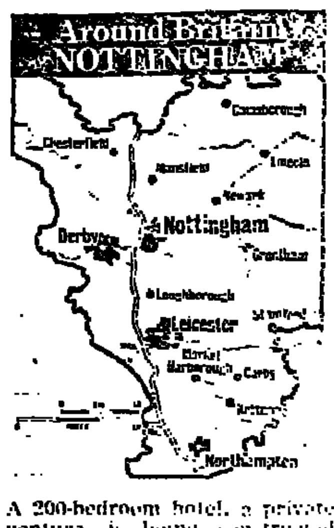
An essential requirement of the hall's design was flexibility, since conferences alone could not ensure adequate use, and rock concerts are expected to play a considerable role in making it profitable.

Serious music enthusiasts will also welcome the opening, since a number of the better orchestras had recently given notice that they would no longer visit the city because of poor conditions at the only other available hall.

The programme for the first month, which remains confidential at present, is expected to include a wide range of events — mainly entertainment —aimed at testing the flexibility of the hall. There are known to be plans for televised sports events such as squash and darts.

The aim is to attract more events overall, not merely divert them from other local venues.

High standards are being aimed at in terms of comfort for delegates and audiences.




A 200-bedroom hotel, a private venture, is being constructed near the hall, with direct access over a covered bridge. It will also have a 700-space car park, a health club, and continental restaurants.

However, Mr Anderson is aware that the hall is opening at a time of very hard competition for conference business. The number of UK conferences has been seriously affected by the recession, as have the numbers of people attending them.

Nottingham is therefore going out of its way to offer what it regards as something special; and nothing would please its backers more than the ability to show the Nottingham Conservatives that they do not have a monopoly on successful enterprise.

APPOINTMENTS

# Board changes made at Belize Sugar Industries

Changes to the board of BELIZE SUGAR INDUSTRIES have been made by the Tate and Lyle Group. Mr J. C. W. Mitchell, managing director, North American division, has been appointed chairman of BSI. Mr R. A. Shirtcliff, finance director, United Molasses, has been appointed a director of BSI. Mr D. A. Tate leaves the board of BSI and has become managing director of The Zambia Sugar Company. He was also formerly vice chairman of Tate and Lyle Inc in Miami, U.S.

★

Mr Archie Dalton, who joined FRIGOSCANDIA last year, has been appointed to the board as commercial director.

★

Following the resignation of managing director, Mr Peter Harding, at BERROWS GROUP OF REGIONAL NEWSPAPERS, Mr Roger Rix and Mr Michael Woods, are appointed managing directors of a restructured management organisation. Mr Rix is to head the new northern group based on Worcester and includes all the newspapers located in the West and Southwest Midlands. He was previously deputy general manager of Portsmouth and Sunderland Newspapers at Portsmouth, and production director of The Guardian. He takes up the post in early autumn. Mr Woods becomes managing director of the southern group based on Taunton and includes all newspapers in Somerset, Devon and Wiltshire. He was previously marketing director of Berrows Newspapers following editor of The Evening News, Worcester. He starts in Taunton in August.

★

Mr Tom Martin Jnr, joint managing director, ARCO, has been appointed chairman of the Arco Group.

★

GREATER LONDON COUNCIL'S first equal opportunities adviser is to be Ms Judith Hunt, a national trade union official with experience in equal opportunities work and women's employment problems. She will be responsible for helping to implement and promote the GLC's new equal opportunities programme for both existing and potential employees and will advise particularly on women's career prospects with the Council.

★

Mr E. Lawrence-Corrie has resigned as managing director of The Continental Assurance Company of London, and from his directorships of other companies in the INA UK HOLDINGS GROUP. Mr A. W. Frost and Mr W. H. Howie, directors of INA UK HOLDINGS, have been appointed directors of The Continental Assurance Company of London, with Mr Frost as acting chief executive.

★

Mr K. R. Mackenzie has felt obliged for health reasons to resign from the chairmanship of the board of HIGSONS BREWERY. He will continue to serve as a director. Mr G. L. Corlett has been appointed chairman and will continue to act as managing director.

★

Mr Tom Kings, a director of Thurgar Bolle' has been appointed a director of its parent company, THURGAR BARDEX.

★

SMITH ST. AUBYN & CO. has made Mr Adrian Fort a director of the company with effect from August, 1982.

★

Mr Peter Couchman has been appointed financial director of HOGG ROBINSON OVERSEAS part of the Hogg Robinson Group.

★

The following appointments have been made in REVERTEX and Revertex Sales. Both companies are members of the Yule Catto Group. At Revertex: Mr Philip D. Gatland becomes managing director; Mr Peter T. Mapp, director; and Mr Michael H. W. Lawrence, director. At Revertex Sales: Mr Philip D. Gatland becomes chairman and Mr John R. Goddard a director.

★

Principal members of the newly formed subsidiary of the Cater Allen Group, CATER ALLEN FUTURES are: Mr A. J. Buchanan, chairman; Mr A. P. La Roche, managing director; Mr J. C. Barclay, director; Mr P. Allocca, director; Mr J. A. Pound, director and Mr I. T. Liss, senior futures broker.

★

NACANCO, UK subsidiary of the National Can Corpn of Chicago, has appointed Mr W. Peter Long as sales and marketing director.

★

Mr Douglas McPhail, a director of the British Linen Bank, has joined the board of JAMES FLEMING AND CO., Newbridge, as a non-executive director.

★

Mr David C. McCutcheon has joined the international corporate finance department of SALOMON BROTHERS INTERNATIONAL in London. Mr McCutcheon, formerly an executive director at Credit Suisse First Boston, and a Canadian national, will be concentrating on North American new business with emphasis on Canada.

★

Mr R. T. S. Macpherson has been appointed a director of THE SCOTTISH MUTUAL ASSURANCE SOCIETY.

CONTRACTS

# £14m Brazilian order for Davy-Loewy

A CONTRACT worth about £14m has been won by DAVY-LOEWY, Sheffield, for Aco Minas Gerais S.A. (ACOMINAS), of Belo Horizonte, Brazil. It includes the supply of steel rolling mill plant and civil co-ordination, and is for an extension to the bloom and billet mill scheme at present under construction at Ouro Branco. The new equipment includes billet mill stands, shear, turnover cooling bank as well as modifications to existing equipment. It will enable ACOMINAS to produce longer billets and a wider range of sizes. The mill is planned to start production in late 1983.

★

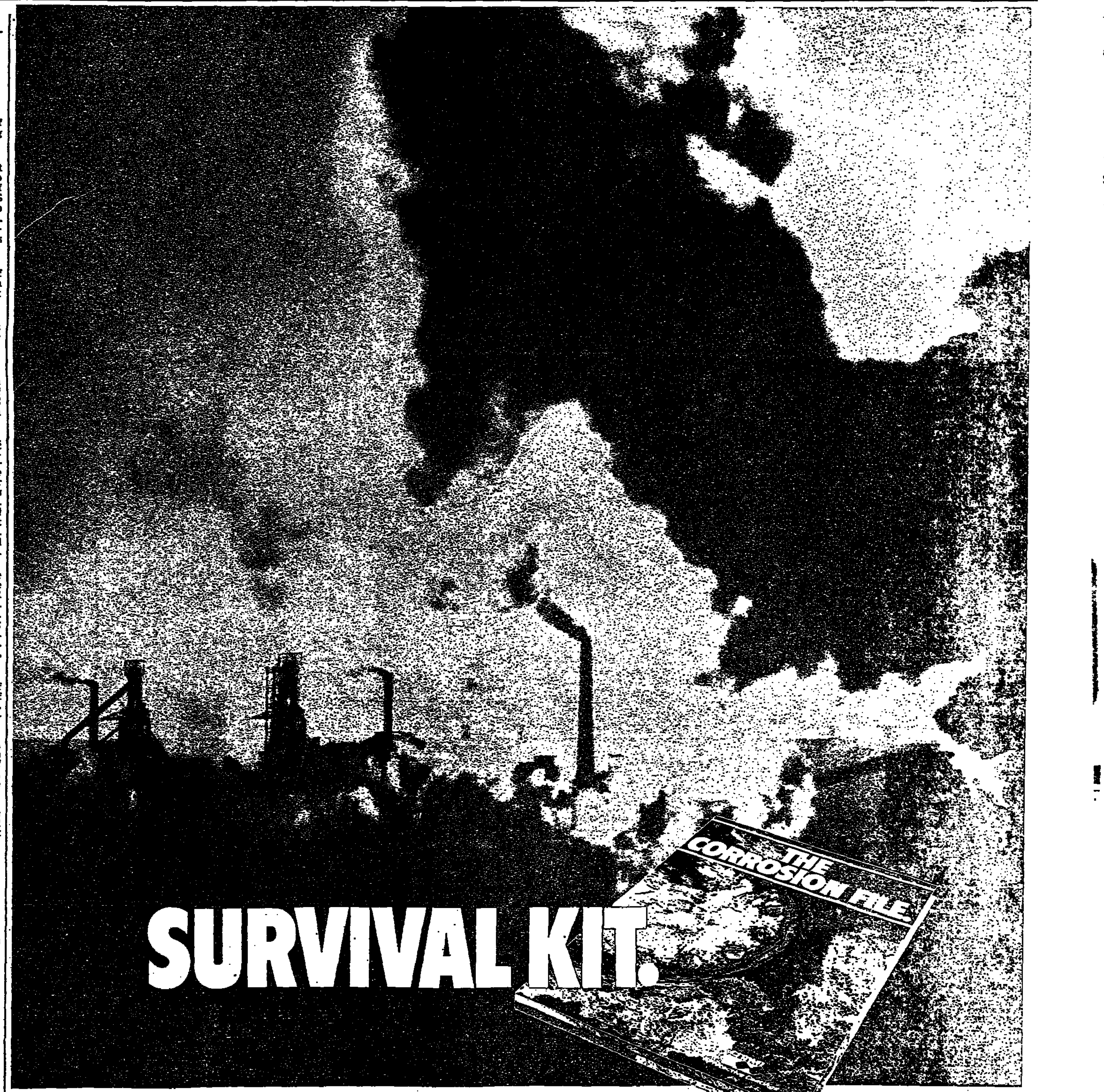
A Bilston company, CES SITE WELDING (BIRMINGHAM), has won orders worth over £1m for various on-site contract engineering projects. The contracts include the welding and dressing work for the largest fractionating column ever built in Europe, for Esso Chemical at Mossmorran. CES Site Welding is a subsidiary of C.A. Moon (Holdings).

★

MSJ INTERNATIONAL TRADING has been awarded a £613,000 contract for the establishment in Nigeria of a Central Pathology Laboratory, with teaching facilities for 100 students.

★

A FURTHER ORDER from Iraq for railway trackwork has been won by the consortium of THOS. W. WARD (RAILWAY ENGINEERS), Nottingham, and RAILWAY MINE AND PLANTATION EQUIPMENT, London. Valued at £1m the order follows a £5m order won by the partnership, also from Iraq, for similar railway trackwork and supplies.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# Leasing of equipment up against economic trend

By James McDonald

LEASING OF plant and equipment is continuing to expand against the economic trend, says Mr Leslie Christmas, chairman of the Equipment Leasing Association, in the 1981 report which will be presented today to its annual meeting in London.

The 58 member companies of the association account for more than 80 per cent of all finance leasing transacted in the UK, and Mr Christmas reports that in the first quarter of the year the level of leasing contracts entered into with new and existing customers was substantially higher than in the same period last year.

"There are indications that this improvement has at least been maintained in the second quarter," says Mr Christmas.

He reveals that by the end of June the cost of leased equipment on the books of member companies had reached £10bn—a rise of 12 per cent compared with the total at the end of last year, and 31 per cent more than a year before.

Mr Christmas says he cannot tell if the good start to the current year will necessarily be reflected in new business completed during the rest of the year. "I am, however, confident of our members' ability to perform well, if not better, in an improved economic climate as they have during the difficult conditions of the last year."

The association's latest quarterly survey shows member companies are more optimistic about trends in the economy than they were in the second half of last year "though evidence of a real upturn in economic activity is slow to accumulate."

The annual report shows that last year member companies of the association leased a record of almost £2.7m worth of new plant and equipment to industrial and commercial customers.

In the UK, over 11 per cent of all new capital investment is financed by leasing. "And, at a time when the problems of recession and unemployment are certainly not confined to this country, it is encouraging that Britain accounts for a third of the total European leasing market," says Mr Christmas.

He reports that, overall, association members last year saw new business rise by 13.5 per cent although this concealed the first, small, drop since 1972 in the value of equipment leased to users in the UK. "International business written in the UK rose quite sharply from under £200m to over £570m.

"Leasing by our members to the manufacturing industries was up by 11 per cent. In fact, 20 per cent of all investment in this vital sector of the economy is now financed by leasing."

The 1982 Finance Bill contains clauses which effectively stop the export of capital allowances. "We are not happy, because these new measures also withhold allowances from leases that finance the export of equipment made in the UK," Mr Christmas says.

# Early sales boost June consumer spending

BY ROBIN PAULEY AND DAVID CHURCHILL

SPENDING in Britain's high street shops increased in June—but the figures probably reflect a tendency by hard-pressed retailers to start their sales early this year, rather than a boom in consumer spending.

Figures published yesterday by the Department of Trade show that the volume of retail trade rose 1.1 per cent, seasonally adjusted, in June after remaining at the low April level in May. The index is now provisionally 107 (1978=100)—the same as in March and January.

Although the figures offer some encouragement to retailers who have had a depressed first half for the last three years, they still represent only a 1.6 per cent volume increase over June last year.

Apart from early summer sales there has been an improvement in the footwear and clothing industries, which had a flat first quarter.

Trade in the second quarter was slightly down on the first, with the index showing an average of 106.3 and 106.6 respectively. These are both higher than the figures for the last three quarters of last year. The first quarter 1981 figure was also 106.6.

The value of retail sales in June, not seasonally adjusted, was 7 per cent higher than in June last year. In the first half of the year the average value of sales was 8 per cent up on the first half of last year.

The Retail Consortium, which represents the bulk of retail trades, said yesterday it was "concerned" that retailers were coming under increased pressure from the need to keep prices stable while other costs were rising.

The consortium says that many retailers have been forced to start their sales promotions earlier than usual to boost trade.

In many cases, the push for volume growth through price cuts has paid off. Rumbelows, the electrical goods chain, reported that sales value was up by 40 per cent during the first few weeks of its sale which started at the end of June.

Mr David Johnson, Rumbelow's chief executive, said prices for many electrical goods were the same or even lower than in the past couple of years.

"The consumer is continuing to recognise that he can get some very good bargains at present in electrical goods," he said.

Video recorders and colour televisions, whose prices are lower than last year, are selling well.

The Argos discount stores chain, which started its sale two weeks earlier this year, reported a 33 per cent increase in sales value for June compared with the same month last year. However, after taking account of new store openings, the sales value increase is 20 per cent.

Dr Mike Smith, the new chief executive of Argos, said that this trend was "encouraging."

The John Lewis department store chain, however, has found that the rail strike dampened some of its sales growth. Sales for the week ending July 10 were up by only 6 per cent in value, compared with an estimated increase for the current half-year of 8.3 per cent.

The company admits that the figures are "slightly disappointing" but says that "allowance must be made for the disruption to trading caused by the train strike."

# £12m grants announced to stimulate computer investment

By Jason Crisp

THE GOVERNMENT is to spend a further £12m encouraging British companies to use computer-aided design, manufacture and test equipment.

Announcing the scheme yesterday, Mr Kenneth Baker, Industry Minister with special responsibility for information technology, said: "As a result of our awareness activities, many companies now appreciate the benefits computer-aided design techniques can bring in productivity, competitiveness and profitability."

He said that the need to invest in such equipment was urgent. British industry had not only failed to match the investment made by U.S. and Japanese companies but also that of major European competitors.

"If we do not invest now, our ability to compete successfully will be impaired. The Government is aware that many companies are having to restrict their investment in new capital equipment and the effects of this are particularly significant when techniques new to a particular organisation are under consideration.

"The Government has therefore concluded that it should provide in the short term positive encouragement for investment in these areas," Mr Baker said.

Government support will be grants of up to a third of the capital cost of the computer equipment.

# Government set to act on video piracy

By Jason Crisp

THE GOVERNMENT looks likely to make a significant switch in its policy on video piracy. Mr Iain Sproat, Under Secretary for Trade, told the Commons yesterday that the Government is now considering a levy on blank tapes.

Just over a year ago when the Government published a green paper on copyright law it firmly rejected industry calls for a levy on blank tapes and recorders for both video and audio equipment.

At the time the Government said the levy would be inflationary — it could double the cost of a blank tape — and unenforceable, as people would buy tapes from abroad by mail order.

Film and record companies have campaigned vigorously for the Government to take a tough line on illegal recording on both audio and video tapes.

Earlier this year, the British Videogram Association said 78 per cent of the 6.7m prerecorded video tapes sold in the UK last year were illegal copies.

Mr Sproat said yesterday that the record industry was losing over £300m through people taping records at home. "A levy is one of the matters put to us, and the Government is considering it," he said.

Mr Sproat told the Commons that the Government wanted to act as soon as possible on video and record piracy.

# Ship insurance premiums to rise sharply

BY JOHN MOORE, CITY CORRESPONDENT

SHIPOWNERS face a sharp rise in insurance premiums following the renewed outbreak of hostilities between Iran and Iraq. Representatives of Lloyd's insurance underwriters and London insurance companies are expected to meet today to consider increasing already high insurance rates on ships' cargoes.

In the past few days shipowners have been charged between 1 per cent and 3 per cent of the hull value of their vessels in additional premiums if they are sailing to Kharg Island or the Iranian port of Bandar Khomeini.

With the additional premiums running for seven-day voyages, the extra charge can mean for shipowners the equivalent of a payment representing more than one and a-half times the value of the ship on an annual basis.

The powerful War Risk Committee is expected to meet in London today to consider cargo insurance rates.

It is a joint committee comprising underwriters in both Lloyd's and London insurance companies.

Cargo rates on ships travelling to Iran have ranged up to 0.5 per cent on single voyages to the area since hostilities began.

This compares with a standard premium rates on ships travelling to non-war regions of 0.0275 per cent in additional payments.

With Iran's oil export terminal at Kharg Island caught up in the latest round of hostilities, hull underwriters quickly raised their rates from 0.5 per cent to at least 1 per cent last week, although underwriters reported that rates were volatile.

Cargo rates had been settling down at about 0.25 per cent of values until the latest hostilities. But that is likely to change today.

Underwriters have already relaxed insurance rates on ships sailing to the Argentine area following the end of the Falklands hostilities.

While rates for the Iran-Iraq areas are rising sharply, underwriters are reporting that there have been few inquiries from shipowners who might be considering voyages to the area.

# Extension to opera house is opened

By David Churchill

THE £9.75m extension to the Royal Opera House in Covent Garden was yesterday officially opened by Prince Charles.

The extension has been paid for partly by government grants but mainly from money raised by appeals to commercial and industrial sponsors.

The appeal fund remains some £200,000 short, although the opera house is confident the amount will soon be raised.

The extension includes a large opera rehearsal studio, two ballet studios, modern dressing rooms and improved wardrobe and storage areas.

The fact that the new dressing rooms will be used exclusively by the opera singers has created some antagonism among members of the ballet company who will continue to use the existing poor facilities.

To counter this criticism the opera house administrator is upgrading the old dressing room accommodation over the next few months.

A decision on when to go ahead with the next phase of the expansion programme is likely to be taken shortly. The present proposal is for an ambitious further extension of the Covent Garden site, which is likely to cost up to £30m.

Work on this further expansion is scheduled to start in 1986 and would mean that the opera house would be shut down for three years.

The opera and ballet companies would probably transfer to the Theatre Royal, Drury Lane, during this period.

# Kessock bridge cuts route to N. Scotland

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE KESSOCK BRIDGE over the Beauly Firth at Inverness was partially opened to traffic yesterday providing a shorter route on a major road to the North of Scotland.

The bridge forms part of long-range road improvements to the A9 route north from Perth through Inverness, considered vital for economic development in the Highlands.

The 1,052-metre structure spans the Beauly Firth from the outskirts of Inverness. It crosses to the Black Isle — actually a peninsula between the Beauly and Moray Firths to the south and the Cromarty Firth to the north. A causeway already crosses the Cromarty Firth, taking traffic north into eastern Ross.

The bridge re-routes the A9 which has up to now passed through Inverness and then taken a circuitous route around the western ends of the Beauly and Cromarty Firths on the way north. Up to 30 minutes can now be saved on the drive north from Inverness to Invergordon.


The full four lanes of the bridge are to be officially opened by the Queen Mother on August 6.

The structure, suspended from two uprights, looks similar to the Rees Bridge over the Rhine at Düsseldorf.

It has special hydraulic buffers to withstand the shock of possible earthquakes, as the bridge crosses the Great Glen fault. The bridge has also been built to stand up to collision with small ships passing through the tidal waters below the Moray into the Beauly Firth.

It has a 29-metre clearance above high water for ships entering Inverness harbour.

The Cleveland RDL consortium was awarded the bridge contract in June 1977. At a current contract price of £26m it is £8.75m above the original estimate, due mainly to inflation.

A one-year delay to the scheduled opening was blamed on severe winter weather hampering construction and the steel strike.

Central government has financed the Kessock bridge aided by a 20 per cent grant from the EEC Regional Development Fund. The Scottish Office has decided not to impose any toll on traffic over the bridge.

The opening will bring a sudden hush to the towns of Beauly and Dingwall, at the western ends of the two Firths spanned by the improved road system. Whatever the relief in terms of traffic noise, hotel and shop owners are anxious about the loss of business, especially tourist traffic.

Kessock Bridge has opened while the Highlands are going through a bad period economically, with regional unemployment at over 13 per cent.

# BCal wins handling deal on NZ flights

BRITISH Caledonian Airways, the leading UK independent airline, has won a contract to handle Air New Zealand's operations at Gatwick Airport when the New Zealand airline starts flights between Britain and Auckland on August 26.

Air New Zealand will fly the route twice weekly via Los Angeles and Tahiti using Boeing 747 Jumbo jets.

BCal will provide cargo and ramp handling, maintenance support, passenger handling, flight despatch, aircraft cleaning and other services at Gatwick. It will also handle cargo for the airline at Heathrow.

# Valuation services to be reviewed

THE Chancellor of the Exchequer has set up a committee under the chairmanship of Mr A. H. Dalton to review the provision of valuation services in government.

Its terms of reference are "to examine the functions, other than rating valuation, of valuers now employed by the Valuation Offices of the Inland Revenue and by other government departments, having regard to the needs of government departments, local authorities, the general public and other bodies, for valuations and advice; and to recommend how these needs can best be met in an efficient and cost-effective manner."

# Business births and deaths

By Lisa Wood

FOR EVERY 100 companies that went out of business last year 115 started to trade, Mr John MacGregor, Parliamentary Under Secretary of State for Industry, said yesterday.

Mr MacGregor was announcing the first results of a Department of Industry analysis of VAT registrations ("births") and de-registrations ("deaths") for 1981.

Speaking at the opening of a workshop extension in London, Mr MacGregor said there were 14,800 more births than deaths of companies in the UK in 1981.

According to the DoI figures, 124,800 companies registered for VAT in 1981 and 110,000 de-registered.

However, not all new VAT registrations are new businesses and not all new businesses are registered for VAT.

# Renault to import Jeeps from end of this year

BY JOHN GRIFFITHS

RENAULT UK is to handle the importing of Jeep four-wheel drive vehicles in the UK from the end of this year.

Jeeps are built by American Motors of the U.S. in which Renault has a 46.6 per cent stake.

Sales of the large eight- and six-cylinder Jeeps have fallen off sharply in the UK over the past two years. But a new model 1,000 lbs lighter and powered by a French-built Renault diesel is to be launched early next year.

Jeeps are currently imported into the UK by Tozer Kemsley and Millbourn which distributes them through 16 of its own outlets. Renault said in London yesterday that it was not known whether TKM or Renault outlets would sell the Jeeps, but it is most likely that Renault will want to feed them through its own network. It has more than 400 car dealerships.

In 1979, UK Jeep sales reached 429. By the end of the first six months of this year, however, only 101 had been sold.

Renault is already marketing the existing Jeeps in several continental countries. It established its link with American Motors primarily to gain access to the U.S. car market — the Renault 9 is now assembled there.

# Charities suffer a 3% drop in voluntary income

BY LISA WOOD

BRITAIN'S top 200 grant-seeking charities suffered a 3 per cent drop in the real value of their voluntary income in 1981-82, according to the Charities Aid Foundation.

Voluntary income from covenants fell sharply from £12m in 1980/81 to £9.2m in 1981/82 with total voluntary income rising from £292.9m to £329.1m.

Government payments to voluntary organisations had been "reasonably well protected" during the two-year period although there had been considerable differences between local authority areas.

The foundation said in its report yesterday: "It could be that we are only just beginning to perceive the full effects of economic decline upon voluntary giving."

Total income of charities from all sources remained static but spending increased by 1 per cent.

The report said many charities feel the positive effects of the concessions from the 1980 and 1981 budgets are being negated by the Government's refusal to exempt charities from paying VAT on purchases. The burden of VAT had fallen particularly heavily upon charities providing direct social welfare and educational services.

For example, bills for the maintenance of residential and day centres, aids and appliances, and cleaning and laundry were all subject to VAT even though similar purchases by local authorities were zero-rated.

A campaign in 1981 by eight leading service-giving charities for children and the handicapped gave figures showing that in that year the benefits of budget tax concessions were greatly outweighed by VAT charges.

# Price cuts increase Tesco market share

THE new price cutting campaign launched by Tesco in mid-May has achieved its immediate aim of an increase in market share, according to figures circulating among the grocery trade.

Statistics for the packaged grocery market show that for the four weeks ending June 19 Tesco's market share was 13.9 per cent compared with 13 per cent in the previous four weeks.

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# Local authority architects down 14% in two years

BY ANDREW TAYLOR

THE NUMBER of architects employed by local authorities has fallen by almost 14 per cent in the past two years, according to a report published yesterday by the Royal Institute of British Architects. The report says that the morale of many council architects is at a low ebb.

It says that there is a widespread, although not universal, feeling of malaise among local authority architects. The principal causes are:

- Sharp reductions in staffing levels associated with public expenditure cuts.
- The difficulties of coping with annual public expenditure cash limits which make long-term planning impossible and reduce efficiency.
- Threats of the handing over of some local authority work to the private sector.
- The downgrading of some architect departments either because of job-losses or structural reorganisation.

The report says there is a general feeling that local authority architecture is undervalued both by the public and the leadership of the Royal Institute of British Architects. It says that every opportunity should be taken to "publicise good public sector work, not only new buildings, but also the work of looking after the public estate."

The Institute says the number of architects employed by councils fell by 8 per cent in 1981. The rate of reduction, however, had differed greatly between local authorities and some councils estimated that architectural staff had been cut by a third or more during the past five year.

"One fifth of all councils responding to the survey said that their staffing levels were now inadequate. And many of those who said staffing levels were adequate added the qualification 'in relation to current funding' implying or actually stating that any upturn would leave them short-staffed," says the report.

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# Judge rules EEC law does not override BL copyright

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

COMMON MARKET law does not provide a defence for two companies that have admitted infringing BL's copyright in drawings for exhaust systems for some of its vehicles, a High Court judge held yesterday.

Mr Justice Foster rejected a claim by Armstrong Patents Company and Armstrong Equipment that the Treaty of Rome enabled them to infringe the BL copyright.

He granted BL an injunction restraining infringement of copyright in drawings of 15 of its exhaust systems. The judge also ordered that the offending material should be delivered up.

He further ordered an inquiry into the damage suffered by BL because of Armstrong's actions but suspended the operation of his orders to give Armstrong an opportunity to appeal.

Armstrong is also to appeal against an earlier refusal by the judge to refer to the European Court in Luxembourg the companies' contention that they have defences under European law to BL's claim.

The judge said that Armstrong was admittedly infringing BL's copyright by copying drawings of BL exhaust systems.

Armstrong contended that EEC law enabled it to continue the infringement without taking a licence from, or making any payment to BL.

One of Armstrong's arguments was that BL had a dominant position in the market for car exhausts and was abusing that position in breach of Article 86.

It was clear, the judge said, that BL did not have a dominant position, even in the more restricted market of exhausts for its own vehicles. BL's share of that market was 24 per cent, whereas companies to which it had granted licences together had 36 per cent of the market.

That market was highly competitive and several times BL had been forced to reduce its prices to remain competitive.

Mr Justice Foster added that, even if BL was infringing the treaty in some way, that would not afford a defence to Armstrong, although it might make BL liable to penalties imposed by the European Commission.

# Fire officers sack senior official

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS OF the National Association of Fire Officers have dismissed the union's general secretary following the unfavourable outcome for the union of an inter-union dispute with the Fire Brigades Union.

The dispute, over the representation of Britain's 5,000 fire officers, has been resolved largely in the FBU's favour under proposals sent to the two unions yesterday.

There have been indications that the non-TUC affiliated Nafo is dissatisfied with its general secretary, Mr Peter Worger, over the union's handling of the dispute. Nafo claims about 4,000 members in all.

These signs came to a head last week at a meeting of the union's governing executive committee, at which a motion of "no confidence" in Mr Worger was approved unanimously.

Mr Worger's resignation was then expected, but was apparently not forthcoming, and so the executive decided on his dismissal.

Details of the executive meeting, and the reasons behind its decision, are now being sent out to union branches. The union is keen to present the issue as amicable, and to try to show that Mr Worger's leaving was mutually agreed.

# Firemen win union battle

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITAIN'S 33,000 full-time firemen have won an inter-union battle in the fire service about the representation of fire officers, over which the Fire Brigades Union threatened industrial action earlier this year and possible national strikes.

The executive of the FBU voted to suspend its threatened industrial action over the representation of Britain's 5,000 fire officers when the fire employers offered to mount a headcount of the officers to determine their union membership.

New proposals on the negotiating structure for fire officers were sent yesterday to the FBU and to the National Association of Fire Officers, based on the results of the headcount.

Nafo refused to co-operate with the headcount, so the employers were able only to determine the number of officers in FBU membership. The FBU has claimed all along to represent about 50 per cent of the officers. This was confirmed by the headcount, which found that 49.3 per cent were FBU members.

When the members of the small Retained Firemen's Union and those officers not in a union are removed from the total, it is estimated that the FBU has in relation to Nafo about 54-55 per cent of the total.

Accordingly, under the terms of the proposals sent to the unions yesterday, the Local Authorities Conditions of Service Advisory Board is suggesting that instead of the 7-3 division in Nafo's favour on the dissolved officers' negotiating body, it should be evenly split between the unions, giving them each five seats.

This suggestion meets the terms of the FBU's original claim, and so could be regarded as a victory for the union.

A meeting between the three sides seems likely in the next fortnight. If Nafo fails to respond to the employers' side proposals, the FBU is likely to apply pressure on the employers to negotiate an agreement with it bringing in the new representation formula.

The officers' committee would cover all ranks from stations officer to senior divisional officer. The other part of the employers' proposal would give the FBU sole negotiating rights for grades up to station officer. Under the old system, the FBU had 22 seats on this committee and Nafo 10.

# Manpower commission may scrap community enterprise scheme

BY JOHN LLOYD, LABOUR EDITOR

THE MANPOWER Services Commission will consider proposals to scrap the Community Enterprise Programme at the meeting of its commissioners next week — in spite of the programme's popularity among its clients and those who run it.

The commissioners are likely to approve a proposal which would merge the CEP with a new scheme, first announced by Sir Geoffrey Howe, the Chancellor, earlier this year, to provide community employment for the long-term unemployed at a cost of £135m. The new, merged scheme would start on October 1 this year, at the earliest.

The proposal would offer a mixture of part and full-time employment, at an average wage of £60. Those working more than 30 hours could claim family income supplement, while those working less could claim supplementary benefits.

Sponsors of the scheme would receive up to £3,120 for wages, up to £395 for national insurance contributions and up to £440 for administrative and overheads cost, a total maximum of £3,995 per worker.

The MSC will also pay the full wage costs of managers and supervisors on the scheme.

The present CEP pays up to nearly £90 — a wage which has largely avoided charges from the unions that the workers on the scheme were undercutting union rates.

However, the voluntary organisations believe that the new, merged scheme will not work. A meeting of representatives of the organisations met at the National Council for Voluntary Organisations yesterday, and expressed their opposition to the scheme on three major grounds.

● The scheme contains no money for training — though it suggests that sponsors could use a proportion of the wage element to fund training.

● The much larger numbers involved in the new scheme favour management by local authorities, thus tending to cut out the voluntary organisations, used to handling no more than 50 workers in present schemes.

● The money paid will often be less than that paid to CEP workers, and will tend to discriminate against the unemployed with dependents, since they can earn more on social security.

Mr Peter Jay, the National Council chairman, will write to Mr David Young, chairman of the MSC, to express the voluntary organisation's concern, and to seek for changes in the new scheme. He will also put the Council's view that consultation with the voluntary sector has been inadequate.

# Dock strike to continue

BY OUR LABOUR STAFF

SOME 200 Birkenhead dockers yesterday voted by a large majority to continue their two weeks' long strike. They walked out when the Mersey Docks and Harbour Company ceased cargo handling in one of the docks and tried to transfer the men to Liverpool.

To compensate them for having to cross the River Mersey, the Transport and General Workers' Union members demanded £1,500 each as a lump sum and a £900-a-year travel and upheaval allowance. The management has only agreed to provide them with a special allowance for one month.

# TUC award

CAROLLYN BAKER, 24, of Banknock, Stirlingshire, was yesterday chosen from seven finalists to receive the 1982 TUC award for youth. A prize of her choice and a diploma will be presented to her at September's TUC Conference in Brighton.

Miss Baker became an active trade unionist six years ago

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Aslef members speak out against flexible rostering, **David Goodhart** reports

# Mood of bitterness as train drivers return

THERE WAS a feeling of barely suppressed glee in the main British Rail operations room at 6.30 yesterday morning.

The atmosphere was rather different across the road at the BR Marylebone depot where a dozen Aslef drivers faced their first day's work with the new flexible rosters.

As Mr James Urquhart, BR operations manager, was waxing lyrical in the ops room to reporters from most parts of the globe, the demoralised drivers were licking their wounds and looking for scapegoats.

The absence of new speed regulations at Marylebone meant that no trains moved at all yesterday morning — an appropriate chistening for the new rosters, according to 29-year-old driver Bob Winkworth. He was one of a number of drivers I met yesterday who was so embittered by the strike experience that he was spending all his spare time looking for another job.

"You know what you can do with your flexi-rosters—there's no way I'm going to work for an employer like BR," he said. The older men especially—bred on the "railway family" ideal—was still wriggling under the shock of BR's sacking threat.

Mr Jack Bowden, divisional committee secretary at Waterloo, said three of his members had already resigned since the back to work call.

In the canteen at London Bridge depot, where the customary length of service calculations totted up 300 years, drivers with over 40 years' experience were saying that morale had never been lower. "It will take a generation for the business to be eradicated," was a frequent comment.

But if BR can expect precious little goodwill from Aslef men the TUC can expect even less. "The TUC decision was a bombshell, I had been preaching to the lads to stand fast and that help was on its way," said Mr Brian Kerbin, branch secretary at Swindon. "It was a diabolical betrayal," a Marylebone driver said more bluntly.

Motions for disaffiliation from the TUC have already been passed by Waterloo and Sheffield branches and by a meeting of 15 South London branches at Croydon on Sunday. More can be expected before the recalled Aslef conference meets.

There is little doubt that the executive's recommendation of the new rosters will be reluctantly accepted by the conference in the same disciplined way that the return to work call was obeyed

One disenter was Mr John Davies, branch secretary in Hereford, who said the conference might throw out the recommendation. "We stand to be wiped out at Hereford if it is accepted," he said.

But nobody I spoke to had one word of criticism for Mr Ray Buckton or the Aslef executive. "They did a good job in impossible circumstances," was the typical view.

Back at the ops room yesterday morning Mr Urquhart said: "Something quite tremendous has happened, but we are still conscious of the problems ahead and we must go back to work together without recrimination."

"Fat chance of that," said a King's Cross driver when I reported the comment. But, at the clocking-on point at King's Cros depot yesterday there was almost a first-day-back-at-school atmosphere.

I walked into work with 20-year-old Mr Mark Smith, who broke the strike and worked last week. He was not worried about recriminations. When we met one of his young colleagues, he jokily shouted "scab" and gave him a friendly slap: his confidence seemed justified.

But the King's Cross management were not taking any chances. Instead of clocking on he was whisked away to a manager's office and rostered with the one other driver who worked, Mr Dave Cross.

Beneath the surface bitterness was apparent at King's Cross too. "We're bitter about management, the media, the NUR, the TUC, in fact everybody," said one driver. He added that he would now rather be a non-unionist than join the NUR and would pay a £5-a-week subscription to keep Aslef alive.

To say that the new rosters are being worked at 71 depots "under protest" seems to be a considerable understatement. At Marylebone and London Bridge—which also started the new rosters yesterday—I heard a stream of complaints about unproductive time, about the new difficulties of swapping shifts, about being stranded in stations overnight, and above all about the flexibility of four to 12 hours still in the pipeline. "These are not the real rosters—make no mistake about that," is a common suspicion.

It was a suspicion which Mr Charles Wort, BR area manager at King's Cross did nothing to allay. "I couldn't tell you what future rosters will look like but obviously we need the best productivity we can get," he said. He was still waiting to know when the initial seven- to nine-hour shifts would be introduced in his area but he was certain of some pretty tough bargaining over the details at the Local Divisional Committee.

The rosters are normally worked out at local level between union and management officials but BR's tactic of bypassing the union during the dispute and posting the new rosters to each driver will create a lot more wrangling than usual.

But Mr Wort also pointed out that of the 318 new rosters at King's Cross, scheduled to replace the previous 394, only 36 will be a little over eight hours.

A driver at London Bridge said: "I've been a Tory all my life, but no longer after this

# Harwich seamen occupy six Sealink ships in pay dispute

SEAMEN AT Harwich yesterday began indefinite occupations of six Sealink UK ships after narrowly throwing out a management plan to cut costs by reducing wage rates, Ivo Dawnay reports.

The sit-ins began after a mass meeting voted by 160 to 143 to reject the scheme and continue an 18-day-old protest strike. A further meeting to be held today will discuss proposals for spreading the strike to other Sealink ports.

The decision to persist with the action comes after seven months of talks between the British Rail subsidiary and local officials of the National Union of Seamen. These culminated last week in three days of intensive discussions at the port involving the union's national officers and senior Sealink management.

But at the weekend Mr Alan Petre, chairman of the union's local dispute committee, said the management had only made minor concessions on its plans to cut £1.2m from the annual wages bill by reducing pay to National Maritime Board rates.

Mr Petre said the Harwich seamen would now be warning seamen at other Sealink ports that their pay and conditions were in danger too.

"For years we have negotiated agreements and now they've ripped them up," he said. "We will be telling our colleagues not to take action for us, but for themselves."

Sealink said last night it was "very disappointed" with the vote. It declined to say what action would now be taken until the union confirmed at national level that the strike has official backing.

Ships occupied by the 57? seamen involved in the dispute are the St George, a 7,000 tonne passenger and car ferry; the Speedlink Vanguard rail goods ship; and two Sea Freightliner container vessels.

Two passenger ferries that have been withdrawn from service, the Cambridge and the Essex, have also been taken over by ratings.

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# Queen's policeman 'was vetted'

THE QUEEN'S Police Officer, Commander Michael Trestrail, has resigned from the Metropolitan Police after confessing to having a homosexual relationship over a number of years with a male prostitute, Mr William Whitelaw, the Home Secretary, told the Commons yesterday.

Few questions were put to Mr Whitelaw, who promised a fuller statement tomorrow. He said he thought it right to report the matter to the House at the earliest possible opportunity.

Mr George Cunningham (SDP, Islington South): "Are we to assume this information was not known to the security services until now? Does that mean that no positive vetting was carried out on the Commander or that there was positive vetting which failed to reveal these facts?" Mr Whitelaw replied: "He was positively vetted."

Mr Jonathan Aitken (Con, Thanet East) asked: "Will this aspect of security lapses surrounding the Queen be covered by the Dellow report in view of the fact some reports say it is already in the hands of those in authority?"

Mr Whitelaw answered: "All these matters will be covered by my statement on Wednesday which will include the Dellow report and other matters which come before me."

The Minister's statement came soon after Scotland Yard announced that Commander Trestrail's resignation on Saturday was for "personal reasons." Aged 50, the Commander was head of the A1 Royalty Protection Section.

Mr Roy Hattersley, Shadow Home Secretary, thanked the Home Secretary for reporting the facts to the House at the first opportunity.

Mr Jo Grimmond (Lib, Orkney and Shetland), asked: "Can you tell us what the functions of the Queen's Police Officer are and whether these incidents came to light only during these inquiries that were going on or whether it was quite separate from that?"

The Home Secretary replied: "It is separate from that. The Queen's Police Officer's duties are in fact to protect the Queen in matters outside the palace and on all her visits outside."

Mr Patrick McNair-Wilson (Con, New Forest), asked how long Mr Whitelaw had known about the Commander. Mr Whitelaw replied: "Since 9.15 this morning."

# Companies may be ordered to defy U.S. pipeline embargo

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A WARNING was given yesterday by Mr Peter Rees, Minister for Trade, that the Government is prepared to take tougher action against the United States over the U.S. embargo on equipment for the Siberian pipeline.

This could include instructing all companies in Britain to defy the restrictions imposed by the U.S.

Already the Government has put into operation Section 1 of the Protection of Industry Act, stating that the action of the U.S. Administration is damaging to British interests.

Mr Rees reinforced this warning yesterday by promising that his department would not hesitate to activate further sections of the Act "depending on how the situation develops."

It is understood that the next step, under Section 2 of the Act, would be to require all British companies to provide complete information about their orders which might be affected by the U.S. embargo.

More important, under Section 3, the Government would instruct all companies operating in the UK and subject to UK law, not to obey President Reagan's order on the pipeline.

This would be particularly important to the John Brown Company, which has an order for 21 turbines for the pipeline. So far six of these have been completed employing a rotor supplied by General Electric of America.

If the Government activated Section 3 of the Act, these six turbines could be shipped to the Soviet Union irrespective of the U.S. edict.

In the Commons, Mr Dennis Canavan (Stirlingshire West), said the Prime Minister should bring pressure on President Reagan in order to help John Brown. He said the John Brown order worth over £100m was being put in jeopardy by the U.S. embargo.

Peter Rees: British views made known to U.S.

Mr Rees said he had already expressed to the U.S. the Government's strong objection to the American restriction. He had emphasised the harm the measure was doing in souring trade relations between the U.S. and countries in the European Community.

"I did stress the very damaging impact these regulations could have on British companies."

Mr Mark Lennox-Boyd (Cons, Morecambe and Lonsdale), asked whether the U.S. had managed to explain its attempt to coerce European states into applying sanctions. He complained that the U.S. action was taken while they themselves were exporting vast amounts of grain to the Soviet Union.

Mr Rees assured him he had pointed out this anomaly to the Americans, and had not been "entirely persuaded" by the explanation they had given him.

# More ships needed by Navy, says Du Cann

By Ivor Owen

A MAJOR reappraisal of the defence budget to ensure that the Royal Navy is provided with "many more ships" was demanded in the Commons last night by Mr Edward Du Cann, MP for Taunton, and the influential chairman of the 1922 committee of Conservative back-benchers.

There were cheers from both sides of the House when Mr du Cann, speaking in a debate on the Royal Navy, declared: "To those who say, 'we cannot afford it,' I reply that we cannot not afford it."

Mr Peter Blaker, Minister of State for the Armed Forces, confirmed that the Government was no longer prepared to sell the aircraft carrier Invincible to the Australian Government. But he was subjected to repeated interventions, mostly from the Tory benches, pressing for a strengthening of the Navy.

His pledge that in the light of the experience gained from the Falklands campaign the Navy would now be provided with a force of three carriers instead of two, as previously proposed, was widely welcomed but also brought renewed pressure for a reversal of the decision to close Chatham dockyard and run down Portsmouth.

Mr John Nott, the Defence Secretary, was reminded by Mr du Cann of the recent statement by Admiral of the Fleet Lord Hill-Norton, a former Chief of Defence Staff, that had the Falklands crisis occurred in three years time, Britain would not have been able to muster a task force.

He challenge the Minister: "What are we doing—what must we do—to disprove that apparently informed assertion?"

Mr du Cann looked for significant policy changes in the Defence White Paper due to be published before the end of the year in which the Government will reflect the lessons learned from the Falklands operation.

He insisted that there must be a clear analysis of the UK's defence requirements—not just a statement of what could be afforded.

## Security statement

Mrs Thatcher is to make a statement in the Commons today in view of growing speculation that a major spy scandal is about to erupt.

The Prime Minister has been subjected since Friday to increasing pressure from MPs.

Mr Geoffrey Dickens (Con, Huddersfield West) yesterday abandoned his plan to demand an emergency Commons debate on the subject when he heard of the Prime Minister's decision.

# BA 'manipulation' denied

ACCUSATIONS that the Government is manipulating the accounts of British Airways in an attempt to make the state-owned airline more attractive to would-be buyers were firmly denied yesterday by Mr Iain Sproat, Under Secretary for Trade.

Mr Barry Sheerman (Lab, Huddersfield East) had said there were rumours that behind the scenes Mr Sproat was attempting to "manipulate and massage" the accounts to make the airline more saleable. Such action would only make the airline weak, whether it was publicly or privately owned, he said.

To Labour jeers, Mr Sproat said selling off the airline offered the chance of getting it "off the backs" of taxpayers. "It is our firm expectation that British Airways will be placed into private sector hands next year—to the gratification of British Airways, its employees, and passengers."

Mr John Smith, shadow Trade Secretary, attacked the decision to axe a further 7,000 airline jobs.

Mr Sproat said the reason was that British Airways wanted to be profitable.

THE FUTURE OF BRITISH TELECOMMUNICATIONS

# Jenkin launches privatisation plan

PLANS FOR THE privatisation of the British telecommunications industry were announced in the Commons yesterday by Mr Patrick Jenkin, Secretary of State for Industry. He told MPs that the earliest opportunity would be taken to introduce legislation which, while keeping British Telecom as a single enterprise, would allow a majority shareholding by the private sector.

Mr Jenkin's full statement was: "It is the Government's aim to promote consumer choice. Wherever possible, we want industrial and commercial decisions to be determined by the market and not by the state. We believe that consumer choice and the disciplines of the market lead to more stable prices, improved efficiency and a higher quality of service.

"Since the British Telecommunications Act 1981 received Royal Assent less than a year ago, some progress has been made in breaking the state monopoly in telecommunications. I have licensed the Mercury Consortium to provide a new telecommunications network in competition with BT. I intend shortly to issue a general licence permitting all bona fide value-added network service operators to use the BT and Mercury networks. The way is now opening for the private sector to sell telephone apparatus direct to the public. Liberalisation of telecommunications has started and we intend to see it through. For BT the prospect of competition and the advent of new technology are now stimulating them to provide a wider range of competitive services. I pay tribute to the way Sir George Jefferson and his board are transforming what was not so long ago a Government Department into a commercial orientated business. We now want to take the next step.

"As a nationalised industry BT does not have direct access to financial markets. Its borrowing is controlled by Government and counts against the public sector borrowing requirement. To bring inflation under control these borrowings have inevitably to be subject to strict limits. But external finance is only part of the picture. In the past monopoly power has allowed BT to raise prices to finance investment without doing all that could be done to increase efficiency. Around 90 per cent of BT's investment programme, about £2,200m this year, has been self-financed. By self-financed I mean, of course, customer financed: BT's charges to customers not only cover current running costs, but are also paying for 90 per cent of new investment. As a result, charges have risen steeply while investment is still not enough. Unless something is done radically to change the capital structure and ownership of BT and to provide a direct spur to efficiency, higher investment would mean still higher charges for the customer. The Government, BT and the general public would find that unacceptable. We need to free BT from traditional forms of Government control.

"We will therefore take the earliest opportunity to introduce legislation which, while keeping BT as a single enterprise, will enable it to be converted into a Companies Act company, British Telecommunications plc. The legislation will allow the sale of shares in that company to the public. It is our intention, after the next election, to offer up to 51 per cent of the shares on the market in one or more tranches.

"Once half of the shares have been sold, the Government will give up control over the commercial decisions of BT plc. BT plc will be outside the public sector; its borrowing will cease to be subject to Exchequer control, and it will look to its shareholders and the markets for its external financing. It will be for the board of the company to decide when and how much to borrow, taking account of internal factors and market conditions in the same way as any other private sector company. This will mean not only a greater flexibility for BT and less pressure on consumers and taxpayers, but also that BT will be subject to proper market disciplines. BT will be in a position to provide better services which are more responsive to customer needs like those provided by the privately-owned telephone companies in the United States.

"BT plc will nevertheless dominate the British market for telecommunications for some years yet. The Government considers therefore that there will be a need for regulatory arrangements for the industry to balance the interests of those supplying telecommunications services, their customers, their competitors, their employees, their investors and their suppliers. The legislation will reform the arrangements for licensing telecommunications so as to end BT's exclusive privilege and its role in licensing. Instead, there will be a new Office of Telecommunications, modelled on the Office of Fair Trading, under a director general appointed by me. He will have powers similar to those of the Director General of Fair Trading. He will operate with the same degree of independence from Government. It will be his job to ensure fair competition and fair prices.

Roger Taylor

Mr Patrick Jenkin (right), Secretary of State for Industry, and Mr Kenneth Baker, Minister for Information Technology, answering questions at a Press conference on the Government's plans for the telecommunications industry

The rules in Britain will then be among the most liberal in the world. A whole new industry with all that means in terms of jobs, is emerging to provide new systems and services, not only here in Britain but for export to the rest of the world.

"The legislation will contain provision to safeguard existing pension obligations. There will also be special provisions to ensure that those employed in BT can acquire shares in the company.

"Finally, the legislation will reform the Telegraph Acts which were passed in the last century. We need to recast the law to make it relevant to the technology of today and tomorrow. I will be issuing a consultative document on this aspect shortly.

"Because these proposals are far-reaching and will affect a lot of people, I am today publishing this statement, with some additional background information, in the form of a White Paper.

"These proposals follow naturally from the liberalising measures passed by the House last year. It would make no sense to stop half way. If those who work in telecommunications are to provide the range and quality of service which modern technology now permits and if they are to do so in competition with each other, it cannot be right that BT should remain subject to the web of Government interference and controls which are the inevitable lot of an industry which enjoys the privilege of Exchequer finance.

"The quality of the service which any enterprise provides depends upon the skills, energy and leadership of the people who work in it. We want to provide those people with the environment—market, financial, legal and structural—which will free them to give of their best.

"In the view of the Government, that is what the proposed legislation will do. I look forward to its early introduction."

In an accompanying White Paper, the Government said the background to the Minister's statement was its "realisation that technological developments in telecommunications, including digital techniques, fibre optics and the rapidly growing range of terminal attachments and network services means that state monopoly in telecommunications with all its inevitable disadvantages can become a thing of the past." The British Telecommunications Act 1981 received the Royal Assent less than a year ago and since then substantial progress has been made in five directions.

1—Last February, the Secretary of State for Industry licensed Mercury Consortium consisting of Cable and Wireless, British Petroleum and Barclays Merchant Bank to run a new telecommunications network in competition with BT. Mercury plans to start providing services to business subscribers early in 1983.

2—The BT network is increasingly being used by other firms for a widening range of network services. A general licence permitting all bona fid value-added network service operators to use the BT and Mercury networks is to be issued shortly.

3—The way is now opening for the private sector to sell telephone apparatus direct to the public. The first standards for telecommunications apparatus will be approved soon, and the new British Approvals Board for Telecommunications is ready to receive applications from manufacturers seeking approval of apparatus under the new standards. The attachments industry must now grasp the opportunities it is being given to compete with BT to get subscribers' custom. Competition to win market share here at home will make the industry more competitive abroad.

4—Sir George Jefferson and the BT board have recognised that inefficiencies tolerated when BT was an unchallenged monopoly can no longer be afforded in the new competitive climate.

5—And perhaps most important of all, after decades of monopoly, the prospect of competition and the advent of new technology are stimulating BT to respond to market opportunities. BT is providing a new array of services, especially the City Overlay in the City of London, using microwave radio and other techniques. BT, which has a proud story to tell in the development of optic fibre and submarine cable at its Martlesham Research Centre, is beginning to exploit its technological strengths in the market place.

"The Government believes that this is only a beginning. There is a long way to go. Until 1969, the telephone service was run as a Civil Service department with all that that meant in terms of organisation, management, and above all attitudes. The BT Act 1981 heralded nothing less than a cultural revolution in BT. The Government now want to take that revolution a stage further.

"Sir George Jefferson, the BT board and the BT unions have been united in criticising the method by which the telecommunications investment programme is financed. Their criticisms have arisen because these borrowings have inevitably to be subject to strict Treasury control. But external finance is only part of the picture. In the past, monopoly power has allowed BT to raise prices to finance investment without necessarily finding every opportunity to save running costs by improving efficiency. It is a fact that around 90 per cent of BT's investment programme, about £2,200m this year, has been financed out of customer charges. Ultimately, of course, current and capital costs are all borne by the customer; but the present ban on access to external funds means that today's customers are making a bigger contribution to capital costs than might be warranted if normal private sector financial and commercial criteria were applied.

"There have been intensive efforts to resolve this dilemma. The Government is considering the possibilities of the 'Buzby Bond' but that would still be a form of Government guaranteed borrowing and would leave BT subject to Government interference and control."

Another option would be to relax the PSBR rules. That would be unacceptable since the Government's controls on borrowing are an essential weapon in the fight against inflation. The Government believes that the only way forward is to free BT from Government control. That means transferring BT's business to a Companies Act company and selling a majority of the shares in it to the public. The company will then be free both to borrow outside the PSBR and to act independently of Government controls. This structural change combined with the introduction of competition will ensure a new partnership between the public and private sector which the Government believes will be able to take BT forward into the twenty-first century.

"The issues are central to much of our industrial future as a country. The Government's policy will determine the shape and direction of telecommunications for many years to come. It is clearly important that the legislative changes made should be right. Accordingly, the Government invites views in writing which should be sent to Miss G. M. A. Lambert, Department of Industry, Ashdown House, 123, Victoria Street, London SW1E 6RB, by August 30.

*The Future of Telecommunications in Britain, Cmnd 8610, HMSO £1.25.*

# Election issue for Labour Party, Orme says

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE ANNOUNCEMENT that the Government intends to privatise British Telecom and put 51 per cent of the shares on the market after the next general election met with bitter opposition from the Labour Party in the Commons.

"We will make this a general election issues," said Mr Stan Orme, Labour's industry spokesman. "We will fight to protect the national network under public control and under British Telecom."

Mr Patrick Jenkin, the Industry Secretary, made it clear that the Government welcomed this challenge and was willing to contest it as an important issue at the next election.

Mr Jenkin received full-hearted support from Conservative backbenchers. The scheme came under unanimous attack, however, from the Labour benches, particularly from MPs sponsored by the Post Office unions.

Concern was expressed about the possible effect on the pension fund of BT workers. But Mr Jenkin gave repeated assurances that pension rights would be fully protected although he said some of the money raised from the sale might be used to fund pre-1969 pensions.

Concern was also expressed on the Labour benches that rural areas would suffer under the new arrangements. Mr Jenkin insisted that, in fact, it could mean that they would get a better deal owing to advances in technology.

Mr Orme described it as a depressing statement for British industry. Why, he wondered, had the Government taken this action when BT was improving services and productivity and developing new technology? "These proposals will destroy the morale of management and employees," he declared.

He was also worried about how the Government would price the shares and what criteria they would use. "What guarantee will there be that there will not be a further Amersham International scandal?"

He asked why Mr Jenkin did not free BT from cash limits and just allow it to raise capital as a public corporation.

Mr Jenkin replied: "British Telecom free of Government constraint will be a new expansionary force in the market. It could become a major world force. We are content to allow the electorate to decide."

He thought it was far too soon to start making estimates of the price at which the shares would be offered.

Mr John McWilliam (Lab., Blaydon), sponsored by the Post Office Engineering Union, said members of the union would receive the statement with horror. The Government was proposing to sell assets built by existing BT customers over the years.

He was also concerned about what measures could be taken to protect national security once foreign capital was invested in BT.

Mr Jenkin told him that once they understood the proposals BT employees would recognise that there was a great deal in it for them. The matter of security was in the forefront of the Government's mind and would be covered in forthcoming legislation.

The terms of the licence would impose on the company the same obligation to maintain the rural telephone system as at present. He believed rural areas would get a better service from a company which was answerable to market discipline.

The articles of association would contain provisions to prevent any undesirable changes in the ownership of the company, Mr Jenkin said. He was a very distinctive role for it in the cable television revolution, but it was too soon to say precisely what this would be.

Mr Peter Hordern (Con, Horsham and Crawley) welcomed the proposals but wanted to know why they could not be implemented before the general election which could be almost two years away.

Mr Jenkin retorted: "By any standards, even if it was done in tranches, the issue of the shares would be a very big one. I would need to make sure the markets were right to receive them. There might be some difficulties in doing that in the period just before a general election. We have plans immediately after an election to hasten this just as soon as we possibly can."

Asked about the possibility of telephone subscribers having the right to buy shares in the company on a preferential basis, Mr Jenkin said the Government wanted the widest opportunity for small investors to participate.

# Debate on health strike

An emergency three-hour debate on the health workers' strike is to be held in the Commons today.

The Speaker, Mr George Thomas, agreed to the debate after an appeal from Mr Reg Race (Lab, Wood Green).

Mr Race is a former research officer with the National Union of Public Employees, one of the main unions involved in the dispute. He said health employees were some of the lowest paid workers.

Mr Thomas said he was satisfied that the matter should be debated

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# TECHNOLOGY

EDITED BY ALAN CANE

VIDEO AND FILM

## Decline of the sponsored film could be reversed

BY JOHN CHITTOCK

THERE IS a tradition in industrial film sponsorship which goes back almost to the beginnings of the cinema. In the UK, great company names linked to that tradition have included Shell, ICI and Unilever, and others which became big enough to spawn nationalised industries — such as Imperial Airways, the Gas Light and Coke Company and Richard Thomas and Baldwin (steel, for those too young to remember).

This tradition of sponsorship has been based historically on a great sense of social responsibility, yielding classic films such as *Housing Problems*, *Enough to Eat*, even Robert Flaherty's *Nanook of the North*—made in 1922 and effectively sponsored by Revillon Frères, a fur company.

Since those days, the concept of sponsorship has become slightly sullied, not helped by the debasement of the word on U.S. television and the growth of sporting promotions. Now that video has arrived — together with hopes of other new distribution outlets such as Channel Four in UK and cable TV in many continents — the decline of the sponsored film could be reversed.

That it has declined, few would deny. The quantitative decline has been partly due to a tighter rein on money—with companies expecting more in return for every pound spent and not helped by the general drift away from film viewing and the difficulty in finding audiences with time to spare.

The decline in quality, a more contentious issue, in my own view is inescapable and is merely part of the general social syndrome where craft and art have been driven out of functional activities.

For industrial and commercial sponsors, television and video now start to offer some prospect of rediscovering the audiences which 16 mm film has lost. The big white hope in UK at present is of course Channel Four, which—even though it eyes the sponsored film suspiciously, as if it might do some insidious injury of which it is not aware—is empowered to screen sponsored films (like BBC and ITV).

For the time being, however, Channel Four is moving with caution and has accepted nothing overtly sponsored in the first 800 programmes now being prepared for the service. Hopefully, those opportunities will come later—especially as the specialised, neglected areas of television programming peculiar to Channel Four's brief are also the type of subject traditionally favoured by the sponsored film.

Meanwhile, sponsorship for the home video market has arrived. Rothman, with a history of the world soccer cup, Courvoisier on teaching golf, Pedigree Petfoods on dog care, have been among the early starters with specially-made programmes. Hardly in the class of *Nanook of the North*, but better things may come soon.

At least two international companies have impressive plans for socially important subjects aimed at video viewers—and others are working away at ideas.

### Golfing tips

Courvoisier has been encouraged to sponsor a second on golf—*Tips from the Masters* (at the Dunlop Masters Tournament). This will sell at the subsidised price of £14.95p per copy, Michael Barratt, the producer, also has another ready for launching, *Bar BQ*, or how to run a barbecue, and sponsored by a tobacco company.

Here, of course, comes the rub. One can imagine Jeremy Isaacs over at Channel Four curling a fierce Scottish eyebrow and saying: "I told you so." What he will make of the news that a second tobacco company, Rothman, are paying for advertisements to go to videocassette feature films released by Intervision may be unrepeatable.

The Intervision deal, believed to be worth £¼m for the one year contract, will place tobacco product advertising at the front of adult and X-rated video-cassette films in the Intervision library. No doubt there will be protests (Action on Smoking and Health have, predictably, reacted already).

Advertising on videocassettes was inevitable and some consumer programmes are being produced solely as a vehicle for advertising—such as the Holiday Video Brochures now being offered by Pebblebond International. These are to be tailor-made for leading tour operators, will be distributed via travel agents and loaned to consumers free of charge and will, of course, contain "travel-related" advertising.

Yet advertising on videocassettes may have less of a future than outright sponsorship, because the messages of advertising tend to be ephemeral—like television and newspapers—needing instant impact with large audiences.

But sponsorship of video programmes could offer a return spread over years, going on earning revenue and considerable prestige—such as happens with the highly successful books sponsored by Shell about the countryside, nature and travel.

All of which comes back to where we started with the sponsored film. Shell has been a substantial force in forging the reputation and integrity of sponsored film. Such qualities may be urgently needed in the sponsored videocassette business if it is to give stature to the medium as happened with sponsored documentaries in the cinema. The penalty, if video becomes too rooted in the razzamatazz of marketing and advertising, will be debasement of the medium.

Regrettably, the Shell UK company—which also handles the sponsored books—has no plans as yet. For others willing to take a long-term view of public relations based on the new media, it is an exceptional opportunity to engrave a company name in the history of video—if handled sensibly. They might even then gain Jeremy Isaacs' approval and win a Channel Four seal of integrity.

Gallium arsenide is making its mark in semiconductors

## Faster than silicon circuitry

BY ALAN CANE

NIPPON Telegraph and Telephone (NTT) last week claimed a breakthrough in a branch of semiconductor technology which could lead to computers running on light rather than electricity—the so-called "optical computer."

What NTT claimed to have done was to build semiconductor chips which could directly amplify incoming optical signals 300 to 1,000 times; current technology demands that the incoming light signal be converted to electricity, the electrical signal amplified using conventional circuitry and the amplified signal converted back to light pulses.

Western light specialists are interested but sceptical. Dr Richard Plumb of the laser group at Standard Telecommunication Laboratories, Harlow, said the theoretical snags involved in optical amplification were well known; he would be interested to see how closely the NTT results approached the theoretical limits for these systems.

But the NTT work depends on and highlights a semiconductor material, gallium arsenide, which is becoming seen as increasingly important in microelectronics.

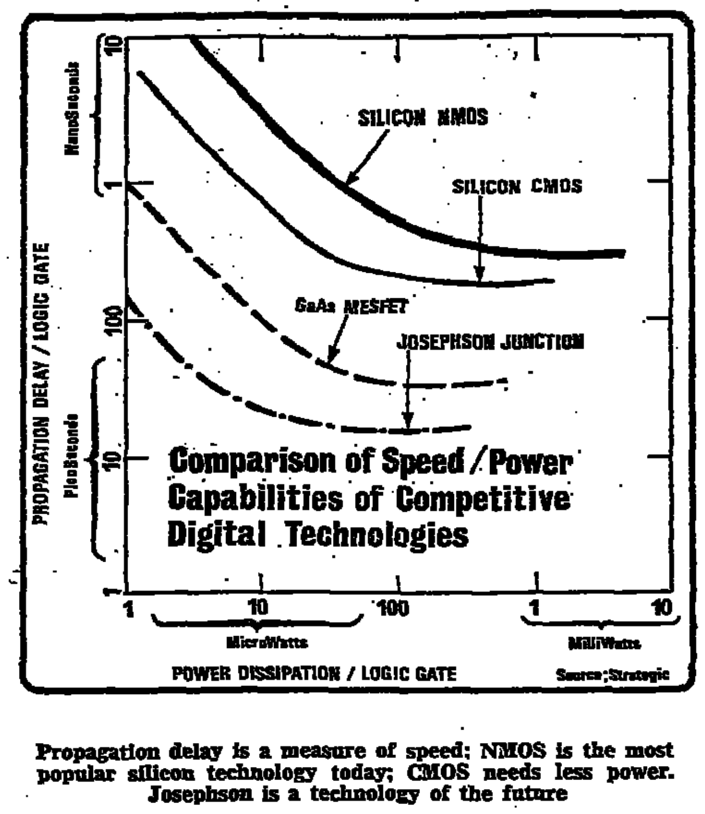
It is overcoming its unfortunate reputation as the wonder material in a world where everybody agrees that silicon semiconductors will remain dominant.

Now it is beginning to make its way out of the laboratory and into a number of applications—it is already used in a number of conventional products. The red light emitting diodes which characterised displays on the first generation of electronic calculators were gallium arsenide phosphates or indium arsenates.

It is also used in the high-powered lasers which drive light of a single wavelength down optical communication fibres—usually as compounds such as gallium indium arsenide phosphate.

Why all the excitement about gallium? Basically, speed and power.

A computer constructed of chips implemented in gallium arsenide (GaAs) could run considerably faster than one implemented in silicon. Furthermore, such chips draw less power and so need less elaborate cooling.




Propagation delay is a measure of speed: NMOS is the most popular silicon technology today; CMOS needs less power. Josephson is a technology of the future

The list of laboratories working on GaAs includes Bell Laboratories, Burroughs, Hewlett Packard, IBM, ITT, Texas Instruments, Philips, Plessey Thomson CSF, Fujitsu and Hitachi.

But GaAs is expensive and difficult to handle. Researchers who have worked with the substance for many years describe it as a "beast" and a "swine" of a material.

It can be dangerous to handle, and in certain conditions will explode. Major efforts were directed towards the development of GaAs integrated circuits in the 1960s, but these early experiments produced only disappointing results.

Unlike silicon, GaAs did not have the capability to form a useful oxide — in silicon semiconductors, the oxide can be created on the surface fairly easily where it acts as a natural insulator.

The tried and tested techniques used to fabricate silicon chips could not be applied to GaAs.

But, two developments in the 1970s opened the way for a renaissance in GaAs technology.

First, the invention of a type of transistor — the Schottky-gate field effect microwave transistor or MESFET — suited to the structure of GaAs made possible the fabrication of integrated circuits with GaAs as the substrate material.

Second, ion implantation — shooting ions of a given substance directly into the GaAs substrate — overcame the problem that GaAs would not stand for the high temperature diffusion processes common in silicon chip fabrication.

Furthermore, new methods were developed to provide GaAs crystals of much better quality than had been available in the early experiments.

According to a recent report from the U.S. consultancy Strategic Incorporated*, GaAs technology should begin to compete with silicon integrated circuit technology because of its superior speed/power characteristics as component density on chips is improved: "GaAs integrated circuit technology should become the super very large scale integrated circuit technology by the end of the decade."

GaAs circuitry is expected to find its chief applications in "office of the future systems," especially those involving satellite transmissions.

The Strategic report notes: "The high speed capabilities inherent in the GaAs structures will provide the most cost effective means of implementing the satellite business communications functions.

Not surprisingly, one of the earliest IBM-related GaAs IC developments has been in the area of high frequency/low noise amplifiers operating at conventional satellite microwave frequency ranges."

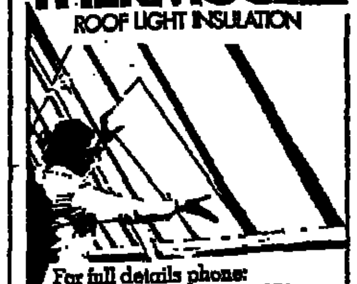
It goes on "The area offering greatest potential for GaAs technology application is in voice entry to computer systems . . . the problems involve a complex task of pattern recognition using very high speed signal processing. Fortunately, the inherent capabilities of GaAs technology provide a suitable match and solution for these problems."

But the area of application which excited the earliest interest was the prospect of faster (conventional) computers. Fujitsu is thought to have taken something of a lead in the development of supercomputers based on GaAs chips and to have implemented part of a central processing unit on a GaAs gate array integrated circuit.

The Strategic report warns: "U.S. computer manufacturers should pay particular attention to Fujitsu's progress. If Fujitsu's efforts are not taken seriously and if similar development programmes are not initiated in the U.S., Fujitsu is likely to become the world leader in the large mainframe computer marketplace based on the use of GaAs IC technology, pulling Amdahl along for the ride."

The Strategic scenario is perhaps over dramatic: few semiconductor specialists believe that the problems of working in GaAs will be solved quickly enough to give it the advantage over silicon: if NTT has solved optical amplification using GaAs, however, the supercomputer (either electron or photon based) may not be far behind.

* *Impact of Gallium Arsenide. Strategic Incorporated, available from IPI, 134 Holland Park Avenue, London W11, 01-221 0898.*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Metalworking

## Shapecut's cnc cutting machines

A RANGE of CNC cutting machines for the metal profiling industry has been introduced by Shapecut of Reading, which, since the acquistion of BOC's cutting division by a Swedish company, claims to be the only major British manufacturer left in the field.

Shapecut says that it has worked on the premise that it was time to replace line following systems and offer users the benefits of CNC at sensible prices.

Using basic bridge design with positive drive at both ends of the bridge, the range uses electric clutches on the cross travel and mechanical ones on the long travel.

Standard machines will accommodate 2m or 3m wide plates, take up to six motorised heads, while rail is in 2m modules of any length.

Profile and positioning speed is up to 3m per minute with additional facilities such as height control, water spray, auto ignition and punch or powder marking also available.

CNC options are either BURNY II or BURNY IV—the former suited for the general trade shop where perhaps more than a third of the work will consist of cutting only circles, rings, squares and gussetts where the dimensions can be simply dialled in.

The latter controller offers manual data input from either tape or remote computer. A scanner can be provided to enable existing templates to be traced and stored in the controller or transferred to tape for subsequent use.

The company hints at about £25,000 for a full CNC machine with three motorised heads, 3m cutting width and 6m of rail, including installation.

Shapecut is at Perimeter Road, Woodley, Reading, Berks 0734 696565.

Fabrication breakthrough opens new possibilities

## Novel uses for the hard stuff

FOLLOWING THE development at the company's Schenectady research laboratories of a relatively simple and inexpensive way of fabricating high density silicon carbide components, GE (U.S.A.) has established a manufacturing facility at Houston.

The new business will focus, initially, on the fabrication of wear components that take advantage of the material's exceptional hardness and outstanding corrosion resistance. Silicon carbide ranks immediately behind diamond and cubic boron nitiride and it is virtually inert, chemically.

Among the first items to be made will be parts subject to wear in machines such as pumps, valves and compressors. But GE is also considering the manufacture of parts for reciprocating engines and gas turbines where the high temperature characteristics and low weight will also be beneficial.

One of the first products will be liners for natural gas wells where the material will be substituted for tungsten carbide. Such items are subjected to abrasive-laden gas flows at 10,000 lb/sq inch and do not last long.

Test samples in silicon carbide, however, have lasted up to two years in one very "sour" (corrosive) natural gas well and are still going strong.

In GE's fabrication process, die pressing, slip casting, injection moulding or extrusion are employed to form the raw carbide powder into a basic shape. It is relatively porous and weak in this form but is then made dense by firing

The company claims that the resulting parts are superior to those produced by the more complicated competitive techniques in which a high pressure hot pressing operation is employed to form the basic shape.


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PAM is backed by Remek's considerable experience and expertise, embracing most aspects of manufacturing automation across a wide industrial spectrum. Other Remek products include the cost-saving Flowmatic range of adhesive and liquid gasket dispensing machines; the adaptable Microprocessor Standard Control Package; and the ever-watchful System Hermes production monitoring network.

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Viewdata

## Project planned

A TWO-YEAR investigation of the value of the business use of viewdata has been set up by a consortium of firms including Sony and ICL.

Organised by Langton Information Systems, a consultancy specialising in electronic publishing and viewdata, the aims of the project are to consolidate experiences from the current use of viewdata throughout UK businesses, select 30 suitable participating organisations with whom to implement supported business viewdata trials and conduct an intensive awareness and experience sharing programme for all taking part.

The project, called "PAVE" is sponsored by Langton, Sony, Prestel (the British Telecom viewdata operation) and ICL.

They will provide financial support to encourage the implementation of viewdata trials. Banks are expected to join the group shortly.

Reviews of progress are expected to be issued regularly and participating users and manufacturers will be given reports of the study. Langton will supply full details on 01-434 1031.

Conference

## CAD view

WHAT IS thought to be the first pan-European conference and exhibition for users of computer-aided design is to be held in the Berlin International Congress Centre from March 14 to 17 next year. More about Camp '83 from PO Box 191740, Messedamm 22, D-1000, Berlin 19.


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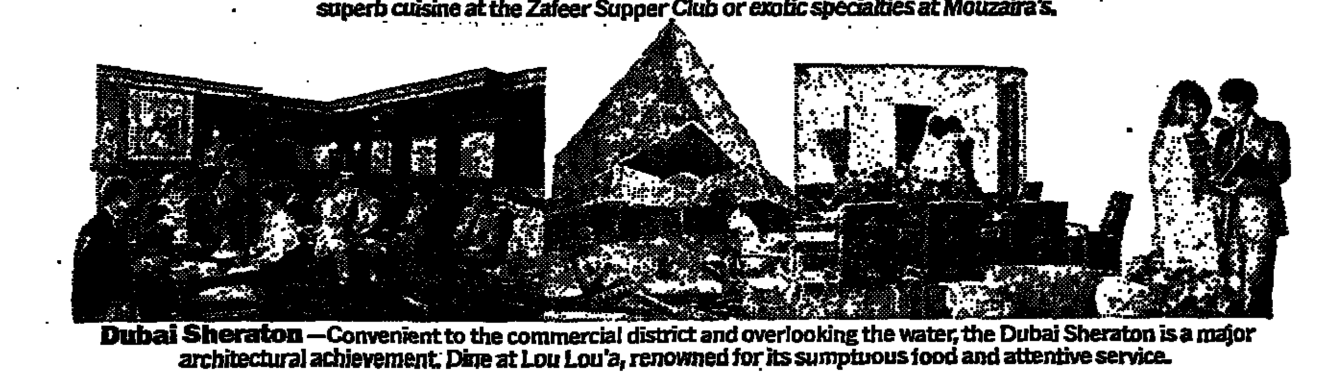

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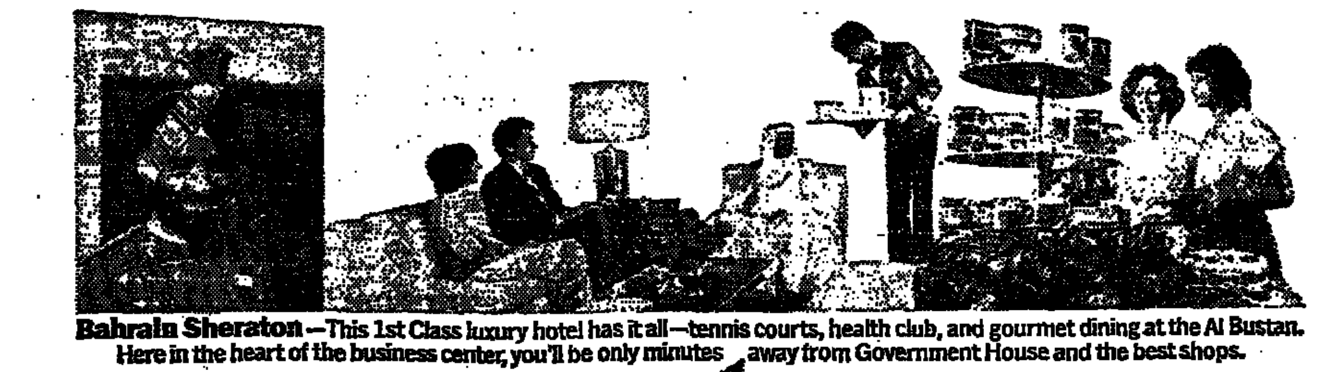

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# THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

## How Mike James won a prize, but then went under

**Ian Hamilton Fazey reports on the demise of an enterprising company**

IF TENACITY were the only requirement for business survival, then Mike James would be a candidate for immortality. But it isn't. Despite an around-the-clock working day James is yet another small businessman to have lost his company in the recession.

He has not yet lost his greatest personal asset, however: the unique product he invented. Its U.S. patent is still pending but those for the UK, West Germany and Australia have already been granted to him.

James's company was launched at the end of 1980 with a great deal of publicity. He had won a major prize in the first Liverpool Enterprise Competition, organised by the city and the local business community. The prize was £15,000 and two years rent-free in a 5,000 square foot factory.

There was a civic opening, attended by politicians, dignitaries and business leaders. The future seemed rosy. Yet, 18 months later, his factory is shut down, his manufacturing company is in liquidation, his six employees are on the dole, and the product is only still alive because one of James's customers has set up a partnership with him to keep sales, mainly from stock, ticking over.

The winner of the second Liverpool Enterprise Competition is due to be announced next week. The story of what happened to the first one is something that the embarrassed organisers hope will not be repeated. James was perhaps the one small businessman Merseyside needed to see succeed, so why did he fail? The lessons are there for all to see.

James invented a new concept in fish-tanks, one that was light enough to be mounted on the wall. By making it long, thin and shallow, he maximised the surface area available for oxygenation, so that about 20 fish could be supported by only three and a half gallons of water. He called it the Aquashelf and his company Aquarama.

His biggest problem proved to be the conservatism of the retail pet trade and overcoming this was the prime marketing objective of his first year. He had already worked out that his best sales outlets would be the furniture departments of large stores—he was selling a luxury item of decorative furniture, not an aquarium for hobbyists—but he knew that without credibility in the pet trade, the Aquashelf would be criticised in the shops where people went to buy their fish. And this could result in customers demanding their money back.

Pedigree, a pet-food manufacturer, featured James and his tank in a full colour advertising campaign for its Aquarian fishfood range. But despite this endorsement, and others from leading zoologists, many potential customers were still sceptical and rival manufacturers of traditional aquaria, not unnaturally, lobbied against it.

James eventually proved his invention by offering it for trial to leading writers in the trade press. Their ecstatic reviews gave the product credibility. But unfortunately all of this took most of 1981. James had expected much faster acceptance. Indeed, his forecasts were for first-year sales of £150,000 and a small profit.

The reality was sales of £37,000 and first year losses of £70,000.

### Ecstatic

So even though future prospects looked brilliant, with full order books likely for years to come, James was forced to confront the first immutable rule of all business trading: it is today's bill that kills, not tomorrow's order that sustains.

In his case, the Midland Bank decided that a £38,000 overdraft was too high a risk and forced him into liquidation in January. Seven months on, James has still not got over the shock. He had kept his bank manager fully informed of progress but the branch concerned was downgraded on the manager's retirement. When Aquarama's account came up for transfer to a larger office where James's history was not so well known, liquidation ensued.

James was, of course, overtrading, spending far more than his first year sales justified, given his performance. Yet many of his costs were unavoidable: wages £22,000, materials £10,000, factory refurbishment and plant £10,000, rates £3,000, services £2,400, fuel and power £2,000, transport and carriage £4,000, telephone and office £2,000, salesmen's commission £3,500, interest charges £2,000, professional fees £2,000 and bad debts £5,000.

On top of that, promotional costs were inevitably heavy, given the scepticism of the pet trade and the novelty of the product.

James says that he was never really worried because things were clearly moving. An order from Hong Kong worth more than £0.25m a year is still a possibility, and the Aquashelf was well received elsewhere round the world. Large department stores in the North West and the South East had accepted the product; it is still selling steadily in both regions. He believed that expansion into other major cities alone would put the second year finances into break-even, with profits and payback certain in 1983.

What James has proved is that you need considerably more financial support than he had in order to manufacture a new product and sustain the manufacturing overheads while establishing the product's market. After set-up costs he relied on financing practically everything out of income while trying to break new ground in a conservative industry.

His mistake was probably not to be ruthlessly pessimistic and promise profits only in the third year, not the first. Then he would probably still have been on budget today. As with many small businessmen he was short on advice in this area and too inexperienced to know when to ask for it.

But James is not finished. Petstocks, a wholesaler to the trade, bought Aquarama's assets for £1,500 to keep the Aquashelf afloat. James is an unpaid partner in a company called Aquasales, which is trading profitably, selling a steady trickle of Aquashelfs through several major department stores.

There are already nearly 1,000 satisfied customers, each advertising his rather elegant product in the most effective way—by word of mouth. The Hong Kong deal is still in the offing and the patents—his personal property—could yet lead to licensing deals in Britain and abroad for anyone with spare manufacturing capacity. And there's no shortage of that.

A marketing man all his life, James is ever optimistic. But he is chastened by the thought that manufacturing is probably not the way to become rich. He is sure his product will one day make someone's fortune. He just hopes it is his own.


"James's company was launched at the end of 1980 with a great deal of publicity," including a report on this page

## Life 'out in the cold'

**Arnold Kransdorff on the mixed results of one man's decision to become a 'networker'**

NINE MONTHS ago Roger Walker gave up his £16,400-a-year job as a regional personnel manager, together with its attractive package of perks, including a company Rover. Today he has an unaudited set of his own company's accounts and a Mini.

Life beyond the ramparts of big business is certainly less easy. "It's cold outside," he says.

Yesterday's article on this page described how 37-year-old Walker (right) became Rank Xerox's first "networker." By the end of next year he will have been joined by about 150 others in an unusual experiment mounted by his former employer in a drive to cut company costs.

Walker volunteered to take himself off the company payroll last October in return for two days of consultancy a week for Rank Xerox, carried out at home over a special computer link. He uses the rest of his working week to look for other clients.

Nine months on, how does he feel the experiment is going?

His Rank Xerox work earns him £150 a day, nearly as much as when he was a full-time employee. So far he has also completed five projects for other clients, including an executive search, some career counselling and writing job descriptions.

"Although my accounts have yet to be finalised, my net income so far is probably similar to before, although there is still the potential for a lot more," he says. "I am probably living at much the same standard as when I was at Rank Xerox.

"But I am enjoying myself more, in spite of the fact that next month's diary is always so uncertain. I have a lot more freedom than I would normally have had and the quality of life is demonstrably better; I don't have to commute and I see more of my family."

Life has changed out of all recognition. Apart from a change in lifestyle, he has had to acquire new skills and from a psychological point of view, he and his family—he is married with two children—have had to come to terms with a new regime.

To start with he has two "offices"—the one at home and another above a greengrocer in nearby Milton Keynes. The latter, which costs £200 a month to rent is used for client meetings and by his part-time secretary, who takes enquiries and much of the administrative burden off him.

When not visiting clients he spends most of his time at home. His office there is small—no more than 100 square feet. Although space is at a premium it is practically furnished with a modern desk, a swivel chair, a filing cabinet and shelves.

In a corner stand his only means of communication with the outside world—a telephone and a £3,800 Xerox 820 microcomputer with attached printer.

Apart from normal applications, the computer has a telecommunications capability; through a VDU "mailbox" system, it allows messages to be passed between the networker and head office. To use this facility, Walker merely dials out and physically attaches the telephone receiver to an accoustic coupler—a rubberised, sound-proofed box.

His keyboard skills have progressed only to the two-fingered, jabbing stage but he is improving.

### Talk money

Otherwise there have been two other major skills to learn. One has to learn how to account for his time accurately and the other to "sell" himself—both of which he never had to do before. "In order to invoice people I have to keep a close watch on time spent on particular projects. I have also got to market myself to clients and in negotiations it has always embarrassed me to talk money."

Compared with before, Walker also says he works longer hours and more intently. As far as Rank Xerox is concerned, he says: "I find that I am more committed to the company than ever before."

"The consultancy arrangement means there is a more trusting relationship and I find I pour more into it. I am far more conscious than before of giving good service. When you're out you suddenly realise how much the company feeds you."

Walker's lifestyle has changed in other ways. Although he retains close links with Rank Xerox and other clients, he has largely abandoned the role-playing associated with corporate life. Now that he is self-employed he is also very cautious about spending money.

As Rank Xerox's self-appointed guinea pig, Walker has so far submitted three reports on his personal impressions of his new way of life. All have stressed a number of psychological and practical problems.

While believing that the concept of a staff member working from home has great attractions for both company and individual, he warns that the advantages of the home base must not be oversold.

"There are strains and stresses from working in the home environment that must be recognised; also particular individuals may not be able to raise the necessary self-discipline needed to make home working a real success."

The experience would not suit all types of staff personality, he says. A networker needs to have a "cavalier" attitude to life to enjoy it.

Walker lists many psychological problems. Among them are the frustrations that arise from loss of power and influence, and the loss of direct feedback from colleagues. The experience also brings a "feeling of being ignored, untested and, maybe, unmeasured," he says.

"We all need to feel a sense of achievement and get recognition—the more immediate the feedback the better. Consultants often do not get enough positive feedback, although negative vibes are quickly given."

Walker also recalls "a human warmth in an office that some people feed upon to get emotional strength." There are, of course, opposite feelings, he says, but on balance the warmth remains—if not in fact, certainly in the memory.

Although the Rank Xerox contract provides a regular income, Walker says there is an overwhelming feeling of austerity bordering on parsimony. "Having taken the services of a large multinational for granted for so long, the thought of cost control at a minor level becomes almost overbearing," he says.

There are problems at the family level, too. "Because of the going-to-work ethic, family and friends look on you with suspicion, thinking that you might be unemployed. The ground needs preparing; honesty should prevail in all cases."

He adds: "Those working from home with children or wives at home with them have a major problem—they will not be disciplined, even if you are, into not coming to see you when they want to."

On the practical side Walker says that it is very important to get administrative help as soon as possible. "This should include a secretary/typist or Girl Friday and an accountant-cum-tax advisor.

"If there is a feeling of frustration at all in being a networker, it occurs when ideas, reports, memos, once written down take so long to type and send out; it is also frustrating when you yourself are committed to meetings, etc. that the booking of next week's jobs cannot be done because of the lack of a competent personal assistant."

### Burden

"Accountancy and tax problems are also a worry. It is best to put these matters in the hands of someone who knows, and who can take the administrative burden off you. I merely keep a note of all my receipts and payments, and keep my invoices in order and hand them over at the right time."

Despite all the problems Walker has no regrets. After nine months he still refers to networking as "exciting" and he remains optimistic about his future.

Whether this will remain so, clearly depends on the level of extra business that he can generate on his own in the future.


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Write to David Burns, Director, B.Sc., (Eng), C.Eng., M.I.Mech.E., quoting ref 8196, Barnett Keel Ltd., Providence House, River Street, Windsor, Berks. SL4 1QT. Tel: Windsor 56723.
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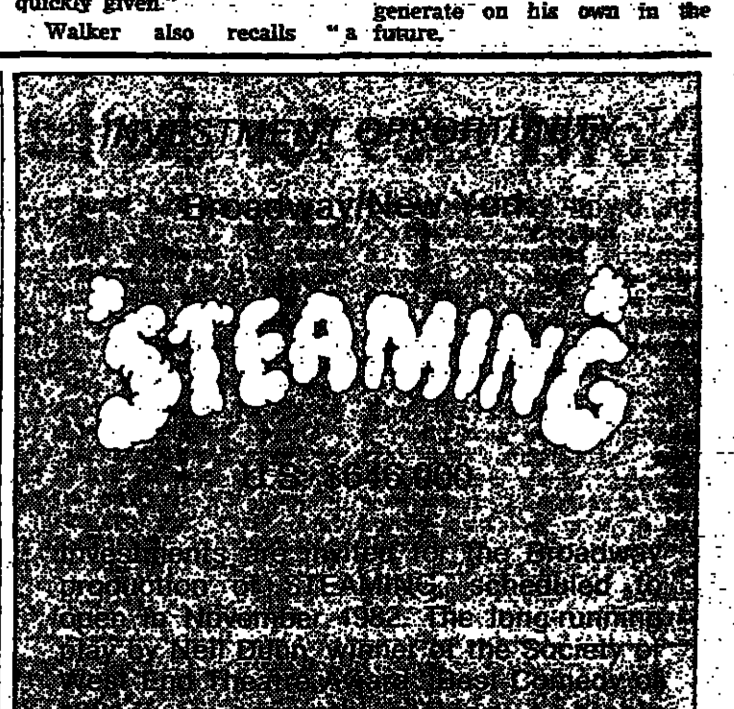


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Initial enquiries which should include the fullest possible information, should be made in confidence to Box F3349, Financial Times, Bracken House, Cannon Street, London EC4.

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By Order Of
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Assets comprising:
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Investor with substantial Capital wishes to explore the possibility of taking control of a Unit Trust Management Company currently handling Authorised Unit Trusts.
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We are a medium sized company (turnover £6 million+) involved in stocking and fabricating industrial pipe and fittings. We are seeking to acquire similar or compatible companies and in this instance turnover and future prospects may be more important than profitability. Our present subsidiary companies are in Scotland and the North-East of England but location is not important.
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This excellent General Engineering Company was established in 1913 and has specialised in the manufacture of Roses Patented Pressed Steel expansion Bellows with a general turnover in the region of £600,000.
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The above business, selling white and brown goods, and including active TV and Video rentals, with a good location in an East Midlands town (population 30,000) and a turnover of approximately £¼m is offered for sale. The business is long established with a good trading reputation.
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# FT COMMERCIAL LAW REPORTS

## 'Job' not changed by reasonable conditions

WILLIAMS AND OTHERS v NATIONAL THEATRE BOARD LIMITED

Court of Appeal (Lord Denning, Master of the Rolls, Lord Justice Fox and Sir Sebag Shaw): July 15 1982

**AN EMPLOYER who re-engages a dismissed striker has a statutory duty to offer re-engagement to all other strikers but is not obliged to attach the same conditions to each offer. Re-engagement must be in the "same job" which means work of the same nature, in the same place and capacity as before dismissal, and if the capacity is essentially the same, reasonable conditions attached to the offer do not render it invalid.**

The Court of Appeal so held when dismissing an appeal by former stage hands, members of the National Association of Theatrical, Television and Kine Employees, from the Employment Appeal Tribunal which upheld an industrial tribunal's decision that it had no jurisdiction to hear their complaint of unfair dismissal against their employer, the National Theatre Board Ltd.

Section 62 of the Employment Protection (Consolidation) Act 1978 provides: "(2) . . . an industrial tribunal shall not determine whether the dismissal [of a striking employee] was fair or unfair unless it is shown . . . (b) that one or more such employees have been offered re-engagement, and that the employee concerned has not been offered re-engagement . . . (4) . . . in the job he held immediately before the date of dismissal . . ."

Section 153 provides: "'Job' . . . means the nature of the work . . . and the capacity and place in which he is so employed".

* * *

LORD DENNING, Master of the Rolls, said that an agreement between the theatre and the union provided machinery for settling disputes, and outlawed strikes. It also provided for disciplinary procedure. If a man was guilty of breach of discipline he was to be given a written warning. Three warnings could lead to suspension or dismissal.

In March 1979, 30 stage staff went on unofficial strike. On April 6 the theatre dismissed them. It later offered to re-engage them in their old jobs without effect on their continuity of employment, but on the basis that they would be treated as being on "second warning" in regard to their general conduct.

One woman, a secretary, was treated differently. She had stayed away from work for two days, but changed her tactics and returned to work and helped the strikers by reporting from inside. The theatre dismissed her with the others, but believing that she had honestly returned to work, it offered her re-engagement on different terms in that the clause about second warning was not inserted in the offer. She accepted the offer.

The other strikers refused the offer. They said that by inserting the clause about second warning, the theatre had not made them a valid offer. They complained of unfair dismissal under section 62(2) (b) of the Employment Protection (Consolidation) Act 1978. The industrial tribunal held that it had no jurisdiction to hear the complaint.

The statute provided that on re-engagement of strikers an employer must offer to re-engage all those who had been dismissed. He must not be selective. The crucial question was whether the strikers were offered re-engagement in the "job" which they held before the date of dismissal, within the meaning of section 62. If they were offered and had refused re-engagement, they could not claim for unfair dismissal.

"Job" was defined in section 153 of the Act. The strikers were certainly offered work of the same "nature" and in the same "place" as before; but was it in the same "capacity" as before?

Parliament intended the colloquial word "job" in subsection (4)(c) of section 62 to be used as ordinary people would use it. The statutory definition was an attempt to put the colloquial meaning into Parliamentary language.

If a man were offered re-engagement in the same job as before, ie in the same "capacity," the offer would be valid even though there might be some difference in the terms and conditions attached to it, as long as those were reasonable.

If he were offered re-engagement on half-days instead of full-time, or if he were offered half pay, it would not be the same "job" as before. But there were some terms and conditions which might be consistent with its being the same job: for instance there might be a re-arrangement of hours or duties. It was for the industrial tribunal to decide whether the offer was re-engagement in the same "capacity" or not.

In the present case it was quite reasonable for the theatre to treat the strikers as being on second warning. They had been guilty of most serious misconduct. The condition that they were liable to be suspended or dismissed if they did anything of the kind again did not derogate from the fact that they were offered re-engagement in the same jobs as before.

As for the secretary, the strikers could not complain of her re-engagement. It was for the theatre to decide the terms on which it would offer her re-engagement, and it was not bound to treat her in the same way as it treated the others.

His Lordship agreed with the industrial tribunal and the Employment Appeal Tribunal and would dismiss the appeal.

*

LORD JUSTICE FOX, agreeing, said that the capacity in which the man was employed was not just a matter of the name or rank which was given to it. A job might have the same name and involve the same duties, but might have conditions attached which were so disadvantageous in comparison that the capacity in which re-engagement was offered was not the same as before.

The present case was very different. The capacity in which the strikers were offered re-engagement was, in essentials, exactly the same as it was before dismissal. It was re-engagement in the same rank, the same work, at the same pay, in the same place, and without effect on continuity of employment.

The conditions as to second warning did not touch the capacity in which they were offered employment. They were to be employed in the same capacity as previously, but the disciplinary procedure applicable to them while employed in that capacity was altered.

*

SIR SEBAG SHAW, also agreeing, said that "job," which had a wide and variable colloquial use, focused attention on the task to be done rather than on rights and obligations. "Capacity" dealt with an employee's relationship to the task, for example, whether he did it as a skilled fitter or as a learner. The fact that the strikers were put on second warning did not affect their relationship to the job. The warning went to conduct, not to performance of the task.

*For the strikers: R. Allen (Gay Moon).*

*For the theatre: Alan Tyrrell, QC, and Stephen Monkcom (Denton Hall and Burgin).*

**By Rachel Davies**
*Barrister*

## TELEVISION

If the various offerings in the ITV regions early this evening were packaged into one solid night's entertainment it would be quite fun. But Looks Familiar with Denis Norden, Pte. Benjamin, Survival and Robin's Nest are among shows which are on simultaneously in different areas.

BBC1's Tuesday documentary this week looks at the Danube, scenically spectacular and perennially a political hotbed. Its turbulent waters have swirled through a turbulent past. Doubtless we will also be offered the threat of a turbulent future too. The Danube Power Game is presented by Robert Symes.

Two minority sports have managed to grip the public consciousness in recent years in quite unpredictable ways. Snooker held us all enthralled in the spring months, and this week sees us faced with more of its outdoor rival, show-jumping. The Royal International Horse Show comes on BBC1 immediately after the Danube programme. Enjoy the horses, endure David Vine.

ARTHUR SANDLES

### BBC 1

6.40 am Open University. 1.00 pm News; Weather. 1.27 Regional News for England (except London). 1.30 Bagpuss. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 Lassie. 5.05 Newsround. 5.10 Take Two.

5.40 Evening News.
6.00 South East at Six.
6.25 Nationwide.
6.55 Triangle.
7.20 The Wonderful World of Disney: "The Secret of Lost Valley." The first of two parts.
8.05 Private Schulz: Serial set in the Second World War.
9.00 News; Weatherman.
9.25 The Danube Power Game. The Tuesday Documentary.
10.15 The Royal International Horse Show 1982. From Wembley Arena featuring The Horse and Hound Cup.
11.33 News Headlines.
11.35 Late Night in Concert.
12.05 am Weatherman.

### BBC 2

6.40 am Open University.
10.30 Play School.
5.10 pm Truth, Dare or Promise: The principles involved in curriculum change in schools.
†5.35 Laurel and Hardy.
6.05 Yesterday's Witness in America.
6.55 Six Fifty-Five Special.
7.20 Cartoon Two.
7.30 News Summary.
7.35 Food and Drink.
8.05 The Past Afloat.
8.30 Live From The Proms: Schubert's Ninth symphony.
†9.45 John Ford Season: "The Lost Patrol," starring Victor McLaglen, Boris Karloff.
10.55-11.45 Newsnight.

### LONDON

9.30 am Rocket Robin Hood. 9.50 Wild, Wild World of Animals. 10.15 Young Ramsay. 11.05 Incredible World of Adventure. 11.30 Paint Along With Nancy. 12.00 Pullover. 12.10 pm Let's Pretend. 12.30 The Sullivans. 1.00 News. 1.20 Thames News. 1.30 Emmerdale Farm. 2.00 After Noon Plus Revisited. 2.45 The Spoils of War. 3.45 Father Dear Father. 4.15 Dr Snuggles. 4.20 Runaround. 4.45 What's Happening? 5.15 The Real World.
5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Looks Familiar.
7.30 The Video Entertainers.
8.00 The Streets of San Francisco.
9.00 Alice—A Fight For Life.
10.00 News At Ten, followed by Thames News Headlines.
10.30 Alice—A Fight For Life continued.
11.15 City of Angels. Wayne Rogers in "The Castle of Dreams."
12.15 am "Sit Up and Listen."

† Indicates programmes in black and white.

### All IBA Regions as London except at the following times:—

**ANGLIA**

9.30 am Sesame Street. 10.30 A Diary of Civilisations. 11.20 The Flying Kiwi. 11.50 Wattoo Wattoo. 12.30 pm Gardening Time. 1.20 Anglia News followed by Weather Forecast. 3.45 Robin's Nest. 6.00 About Anglia. 7.00 Survival. 8.00 The Incredible Hulk. 10.00 News at Ten followed by Anglia Late News and Weather Forecast. 11.15 City of Angels. 12.15 am Tuesday Topic.

**BORDER**

9.30 am Larry the Lamb. 9.40 Evolution. 10.00 Cool McCool. 10.20 Target the Impossible. 10.40 Bailey's Bird. 11.00 3-2-1 Contact. 11.30 Johnny's Animal Operas. 1.20 pm Border News. 3.45 A New Kind of Family. 5.15 Staying Alive with Eddie McGee. 6.00 Lookaround Tuesday. 7.00 Robin's Nest. 10.00 News at Ten and Border Weather. 11.15 The Monte Carlo Show. 12.10 am Border News Summary.

**CENTRAL**

9.55 am Our Incredible World. 10.20 In Concert. 10.45 The Incredible Hulk. 11.30 The Crazy World of Sport. 12.30 pm The Young Doctors. 1.20 Central News. 3.45 Robin's Nest. 5.15 Mork and Mindy. 6.00 Crossroads. 6.25 Central News. 7.00 Private Benjamin. 8.00 Magnum. 11.15 Central News. 11.20 City of Angels.

**CHANNEL**

12.30 pm The Electric Theatre Show. 1.20 Channel Lunchtime News. 3.45 Survival. 5.20 Crossroads. 6.00 Channel Report. 6.30 Private Benjamin. 7.00 M.A.S.H. 7.30 Robin's Nest. 8.00 Simon and Simon. 10.28 Channel Late News and Weather. 11.15 Nero Wolfe. 12.10 am Commentaires et Previsions Meteorologiques followed by Weather/Closedown.

**GRAMPIAN**

9.30 am First Thing. 9.35 Sesame Street. 10.35 Project U.F.O. 11.30 Al Oerning Man of the North. 11.55 Underwater Adventures of Captain Nemo. 12.30 pm Paint Along with Nancy. 1.20 North News. 3.45 Clegg's People. 5.15 The Real World. 6.00 Summer at Six and Area Weather Forecast. 8.00 Simon and Simon. 11.15 Spellbinders. 11.45 Superstars Profile—"Olivia Newton-John." 12.15 am North Headlines and Area Weather Forecast.

**GRANADA**

9.30 am Larry The Lamb. 9.40 Evolution. 10.00 Cool McCool. 10.20 Target the Impossible. 10.40 Bailey's Bird. 11.00 3-2-1 Contact. 11.30 Johnny's Animal Operas. 1.20 pm Granada Reports. 2.00 Hands. 3.45 Paint Along with Nancy. 5.15 Happy Days. 6.00 This is Your Right. 6.30 Granada Reports. 8.00 Simon and Simon. 11.15 Journey to the Unknown.

**HTV**

9.30 am Sesame Street. 10.30 Tuesday Morning Feature Film. 12.30 pm Gardening Time. 1.20 HTV News. 3.45 The Music of Man. 4.15 Ask Oscar! 5.15 Diff'rent Strokes. 6.00 HTV News. 8.00 Simon and Simon. 10.28 HTV News. 11.15 Kris Kristofferson in Concert.

**HTV Cymru/Wales**—As HTV West except: 12.00 Cai Cacoa. 4.15 gm El Ol. 6.00 Y Dydd. 6.15 Report Wales.

**SCOTTISH**

10.00 Once Upon a Time. 10.25 Bailey's Bird. 10.50 Pro-Celebrity Angling. 11.15 Little House on the Prairie. 12.30 Gardening Time. 1.20 Scottish News. 3.45 Real World. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 World Worth Keeping. 8.00 Skin Deep. 10.00 News at Ten and Scottish News Headlines. 11.15 Late Call. 11.20 Pro-Celebrity Snooker.

**TSW**

9.30 am Sesame Street. 10.30 Film: The Amorous Prawn. 11.55 The Underwater Adventures of Captain Nemo. 12.30 The Electric Theatre Show. 1.20 TSW News Headlines. 3.45 Survival. 5.15 pm Gus Honeybun's Magic Birthdays. 6.00 Today South West. 6.30 Private Benjamin. 10.32 TSW Late News and Weather. 11.15 Nero Wolfe. 12.10 am Postscript. 12.15 South West Weather and Shipping Forecast.

**TVS**

9.35 am Untamed World. 10.00 Conflict of Wings. 11.25 Cartoon. 11.30 A Full Life. 1.20 pm TVS News. 3.45 Welcome Back, Kotter. 5.15 Watch This Space. 5.30 Coast to Coast. 6.00 Coast to Coast. 8.00 Simon and Simon. 10.00 News at Ten, followed by TVS News. 11.15 City of Angels. 12.10 am Company.

9.20 The Good Word. 9.25 North East News. 9.30 Clegg's People. 3.55 The Master Man. 10.40 Bailey's Bird. 11.05 The Nature of Things. 11.55 The Undersea Adventures of Captain Nemo. 1.20 North East News and Lookaround. 3.50 The Riordans. 5.15 Survival—"Mustang." 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 8.00 Simon and Simon. 10.30 North East News. 11.15 Benson. 11.45 Learning from Others.

**ULSTER**

10.15 am Story Hour. 11.10 Sungray. 11.35 Call it Macaroni. 1.20 pm Lunchtime. 3.45 The New Accelerators. 4.13 Ulster News. 5.15 Gambit. 6.00 Good Evening Ulster. 8.00 Simon and Simon. 10.29 Ulster Weather. 11.15 Barney Miller. 11.45 News at Bedtime.

**YORKSHIRE**

9.30 am Sesame Street. 10.30 Time Lock (film). 11.45 Magilla Gorilla. 11.55 The Undersea Adventures of Captain Nemo. 12.30 Superstar Profile. 1.20 pm Calendar News. The Weather. 2.00 After Noon Plus Revisited. 3.45 Calendar Tuesday. 5.15 Stay Alive with Eddie McGee. 6.00 Calendar. 11.15 The Demis Roussos Magic.

## RACING

BY DOMINIC WIGAN

*PETER EASTERBY, whose* tally of winners at Ayr in the past five years has been bettered only by that of Bill Watts, must be hopeful of landing the afternoon's major prize there today. The Great Habton-based handler fields Miss Realm in the £7,000 Strathclyde Stakes.

The winner of her first two races, Mel Brittain's Realm filly was recently far from disgraced when failing to get in a blow against that extremely fast filly, Henry's Secret, in the Hilary Needler Trophy at Beverley last month.

There, Miss Realm, although *outpaced by the winner*, failed by just a head to hold the runner-up, Tysandi, to whom she was trying to concede 7 lb.

Miss Realm, who was also attempting to give the winner 7 lb, will appreciate this afternoon's first attempt beyond the minimum trip and can get back on the winning trail by outpacing the Stradavinsky chestnut, Escart Bay.

A second possible winner for the Habton Grange camp is Pat Muldoon's grey newcomer, Beneagles, among the runners for the opening Alloway Stakes. This 19,000 gns yearling purchase is certainly bred to show some speed for it is by Godswalk out of the Derring-Do mare Dastina whose first foal, Jean Varon, won over five furlongs and seven furlongs as a juvenile last year.

The 10-runner Souter Johnie Handicap looks a tricky race but backers could do worse than consider course-and-distance winner Pause for Thought at the foot of the handicap.

Denys Smith, Escart Bay's handler, has snapped up Willie Carson for this five-year-old who looks leniently handicapped in receipt of between 26 lb and 4 lb from his rivals.

**AYR**
2.30—Beneagles
3.00—Miss Realm***
3.30—Pause for Thought
4.00—Rigby Lane*
4.30—Royal Grant**
5.00—Arrowood Dream

**FOLKESTONE**
2.15—Prince of Princes
2.45—Express Empress
3.15—Indian Lady
3.45—Badayoun

## RADIO

**RADIO 1**

(S) Stereo broadcast

5.00 am As Radio 2. 7.00 Steve Wright. 9.00 Simon Bates. 11.00 Mike Read. 12.30 pm Newsbeat. 12.45 Dave Lee Travis. 2.00 Paul Burnett. 4.30 Peter Powell, including 5.30 Newsbeat. 7.00 Talkabout. 8.00 David Jensen. 10.00 John Peel (S).

**RADIO 2**

5.00 am Ray Moore (s). 7.30 Terry Wogan (s). 10.00 Jimmy Young (s). 12.00 Gloria Hunniford (s). 2.00 pm Ed Stewart (s) including 2.02, 3.02 Sports Desk. 5.45 News; Sport. 6.00 John Dunn (s). 8.00 The Songwriters (s). 9.00 Listen to the Band (s). 9.30 The Organist Entertains (S). 9.55 Sports Desk. 10.00 The London Palladium Story. 11.02 Sports Desk. 11.05 Gillian Reynolds. 1.00 am Encore (S). 2.00 You and the Night and the Music (S).

**RADIO 3**

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert. 9.00 News. 9.05 This Week's Composer (S). 10.00 Carl Flesch International Violin Competition 1982 (S). 11.00 Prokofiev (S). 11.35 English Songs (S). 12.15 pm Midday Concert (S). 1.00 News. 1.05 Six Continents. 1.25 Midday Concert (S). 2.15 Baroque and Earlier (S). 2.55* Emma Kirkby (S). 3.10* Baroque and Earlier (S). 4.00 University of Wales Recital (S). 4.55 News. 5.00 Mainly for Pleasure (S). 6.30 Jazz Today (S). 7.00 Let the Peoples Sing (S). 7.30 Proms 82 (S). 8.20* Pleasures. 8.40* Proms 82 (S). 9.45 From Molecules to Mind. 10.30 The Worcester Fragments (S). 10.45 Beowulf. 11.15 News.

**RADIO 4**

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.03 Thirty-Minute Theatre. 11.33 Wildlife. 12.00 News. 12.02 pm You and Yours. 12.27 England, Their England. 12.55 Weather; Travel; Programme News. 1.00 The World at One: News. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 A Dance To The Music Of Time (S). 4.00 News. 4.02 The Poles—What Kind of Revolutionaries? 4.10 The Reincarnation Man. 4.40 Story Time. 5.0 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News, including Financial Report. 6.30 Brain of Britain 1982 (S). 7.00 News. 7.05 The Archers. 7.20 Silent Avenues of the Past. 7.50 File on 4. 8.20 Daughters of the Planets (S). 9.05 In Touch. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News. 10.30 Injury Time (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News; Weather. 12.15 am Shipping Forecast; Inshore Waters Forecast.



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## COMPANY NOTICES

**Notice to Holders of European Depositary Receipts (EDRs) in MITSUI & CO. LTD.**

EDR holders are informed that Mitsui & Co. Ltd. has paid a dividend to holders of record March 31, 1982. The cash dividend payable is Yen 1.50 per Common Stock of Yen 50.00 per share. Pursuant to Clause 4 of the Deposit Agreement the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.

EDR holders may now present Coupon No. 27 for payment to the undermentioned agents.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country *having a tax treaty or agreement with Japan giving the benefit of the reduced* withholding rate. Countries currently having such arrangements are as follows:

| | | |
|---|---|---|
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| Australia | Hungary | Singapore |
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| Finland | Rep. of Korea | |

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after October 31, 1982.

Amounts payable in respect of current dividends.

| Coupon No. 27 EDR denomination | Gross Dividend | Dividend payable less 15% Japanese withholding tax | Dividend payable less 20% Japanese withholding tax |
|---|---|---|---|
| 1 share | $0.005905 | $0.005019 | $0.004724 |

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July 20, 1982

**SAVE & PROSPER DOLLAR FIXED-INTEREST FUND LIMITED**

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the *sixth Annual General Meeting of Save* & Prosper Dollar Fixed-Interest Fund Limited will be held at Dolphin House, Colomberie, St. Helier, Jersey, Channel Islands on Wednesday, 6th October 1982, at 12.30 p.m. for the following purposes:

1. To receive and consider the Reports of the Directors and of the Auditors and the Consolidated Financial Statements for the year ended 31st May 1982.
2. To confirm the interim dividend payments to holders of participating shares of US$0.39 and US$0.41 per share on 15th January 1982 and 15th July 1982 respectively.
3. To re-elect Advocate A. Clyde-Smith as a Director of the Company.
4. To re-elect Mr. C. J. Messer as a Director of the Company.
5. To confirm the payment of Directors' fees of US$500 to each of Messrs. J. D. Campbell, A. Clyde-Smith, W. N. Rumball and J. R. Talbot.
6. To approve the remuneration and confirm the re-appointment of Coopers & Lybrand as Auditors to the Company.
7. To transact any other business of an Annual General Meeting.

By Order of the Board,
SAVE & PROSPER JERSEY LIMITED
Secretary

6th July 1982

A Member entitled to attend and vote at this Meeting may appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company. Proxies must be lodged at the Company's Registered Office at least forty-eight hours before the Meeting.

**CANON INC.**

PUBLIC NOTICE IS HEREBY GIVEN that at the meeting of the Board of Directors of the Company held on June 2, 1982, resolutions were adopted relating to the issuance of new shares, as follows:

1. As of July 1, 1982, part of the capital reserves shall be transferred to capital. The amount to be so transferred shall be an amount obtained by multiplying by Y50 the number of new shares to be issued as set forth in 2(1) below.
2. Upon the transfer to capital under the preceding paragraph, new shares for free distribution shall be issued as of the same date, as follows:

(1) Number of new shares to be issued: Shares of the registered form, par value, common stock, in such number as shall be obtained by multiplying by 0.1 the total number of the shares issued and outstanding as at 3.00 p.m. on June 30 (Wednesday), 1982: provided, however, that any fraction occurring in the total number of the new shares to be issued shall be discarded.

(2) Issue price: Y50 per share: provided, however, that no payment of money for the shares shall be required.

(3) Method of allocation: To be allocated to the shareholders appearing on the register of shareholders as at 3.00 p.m. on June 30 (Wednesday), 1982, at the rate of 0.1 shares for each share owned by them: provided, however, that the fractional shares of less than a full share occurring upon such allocation shall be sold as a whole, and the proceeds of the sale shall be distributed to the shareholders concerned in proportion to their fractional interests.

(4) Other matters necessary for the new shares issue shall be determined at meetings of the Board of Directors to be held later.

NOTICE OF RECORD DATE

Public notice is hereby given that the Company has fixed June 30 (Wednesday), 1982, as the record date and that the shareholders appearing on the register of shareholders as at 3.00 p.m. on that date shall be regarded as the shareholders entitled to the allocation of the new shares for free distribution to be issued in accordance with the resolutions of the meeting of the Board of Directors held on June 2, 1982.

CANON INC.

**EUROPEAN INVESTMENT BANK**

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The amount of bonds remaining outstanding after the amortisation of September 14th, 1982 is LP. 20,250,000.

Luxembourg,
July 20th, 1982.

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**Dollar U.S. 50,000,000**
**Floating Rate Notes due 1991**

For three months, July 15, 1982 to October 14, 1982, the Notes will carry an interest rate of 14.75% per annum.

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**Dollar U.S. 20,000,000**
**Floating Rate Notes 1979-89-91**

For six months July 15, 1982 to January 16, 1983, the Notes will carry an interest rate of 15% per annum.

The interest due January 17, 1983 against coupons No 7 will be US$77.50 and has been computed on the actual number of days elapsed (186) divided by 360.

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## LEGAL NOTICES

NOTICE TO CREDITORS
*TO SEND IN PARTICULARS OF DEBTS OR CLAIMS*

*THAT GOOD PLACE LIMITED*
(In Voluntary Liquidation)

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company *are required on or before the 28th day of July 1982*, to send in their names and addresses, with particulars of their debts or claims, to the undersigned ANTHONY NEWTON, of Box 2A, Eagle Star House, 28-36 Carver Street, Sheffield S1 4FS, *the Liquidator of the Company; and if* so required by notice in writing by the said Liquidator either personally or by their Solicitors to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proven.

DATED this 5th day of July, 1982.

Liquidator
A. Newton



## ART GALLERIES

WHITECHAPEL ART GALLERY, E1. 377 0107. Tube Aldgate East. To 26 Sept. SIR CHRISTOPHER WREN. Sun.-Fri. 11-5.30, Thurs. to 7.30, cl. Sat. Admission £1 (50p) free Children & Mondays 2-5.30.

ARTEMIS FINE ARTS (UK) LIMITED, 15, *Duke Street, St. James's, W1. Exhibition of* MASTER PRINTS AND DRAWINGS. Mon.-Fri. 10-5 until 23rd July. Also WHISTLE ETCHINGS at 6a Mason's Yard.

COLNAGHI, 14, Old Bond Street, W1. 01-491 7408. DISCOVERIES FROM THE CINQUECENTO, until 7 August. Mon.-Fri. 10-6, Sat. 10-1.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. XX CENTURY WORKS OF ART. Mon.-Fri. 10-5.

12, DUKE STREET GALLERY, Duke Street, St. James's, SW1. 930 5247. Faces and Nudes: Drawings & Sculptures. 23rd June-23rd July. Mon.-Fri. 10.00-5.00.

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# THE ARTS

## Hayward Gallery & British Museum

**William Packer**

### A feast of drawing

Drawing is amenable to any number of definitions, and if they stay short of actual contradiction, that is a matter more of luck and natural forgetfulness than of intellectual control. It is inclined to be what we wish it to be, or say it is, at the time; and since it supplies the substance of this article, perhaps some further consideration would be useful here.

There is first the practical approach: the tool or implement is drawn across the receiving surface, and there is the essence of it, the mark that is also a line. Such is the character of the earliest of prehistoric art, and of what there is of the painting of the ancient world that survives to us, of Egypt and Greece: and indeed so fundamental is the linear process that there are those who would say that all Painting is necessarily Drawing too, the drawing always inferred before, beneath, within the paint, no matter to what degree it is finally obscured. From this realisation the sense of drawing as the initiating, preparatory, exploratory process naturally springs. There has always been the presentation drawing, made for its own sake, finished and complete; but even there we feel the presence of the artist not as a public figure in full dress, but relaxed, at ease, and rather more directly, personally accessible.

Scale plays its part, too and material: the work done within the scope of the eyes' immediate compass and the comfortable flexion of the wrist, the stuff light and portable, quick-drying and cheap. There are those of us who fall back quite readily upon the idea that a drawing is anything done on paper, even that water-colour, that most painterly medium, is the natural province of the draughtsman.

Such technicalities help a little, perhaps, but the heart of the business lies back with that first, fundamental point. The drawing may be beautiful or dreadfully flawed, polished and complete or but the merest flick and registration of an image; but whichever it is, it will be the degree to which it gives us a direct and intimate access to the artist at work that will make it interesting.

The Good Drawing may fix the information required in the crudest possible way, the problem be finally resolved only as the paper disintegrates under repeated alterations, obliterations and restatements—the simplest line may serve absolutely. An obvious finesse and graphic enjoyment may not be the point at all (and we all command the manual sophistication to sign our cheques with a consistent flourish, though we may not think too much of it); rather what we look for in that Good Drawing is the intended mark, hand and mind together at last, not in the achievement of a mechanical exercise or trick, but in fixing an authentic personal vision. It would seem to be a definition of Good Art.

It is all fascinating, and exhibitions of drawings always welcome. This is Hayward Annual time again, after last year's wonderful interruption by the series by Picasso, and it is extremely good the Arts Council should get it on the rails again, and on its way after a bit of wheel-clip at the start and its subject. I need hardly say, is British Drawing. Five distinguished judges were appointed to make the selection from an open submission—some 6,000 works from over 2,200 artists, of whom about 250 made the cut. And what was eligible? "The definition," we read in the catalogue, "was deliberately broad in the hope that this would more accurately allow for, and attract a range of contemporary work in the medium," "any kind of drawing," in fact "that would not otherwise be categorised as a painting, sculpture, print, photograph or performance piece."

The Annual has very much to recommend it, not least its size and, in the oddest way, its resemblance to the Summer Show in Piccadilly. Eschewing the idiosyncrasies of the Academy's processes, and winning for itself far more self-consciously professional a submission, the result is an arbitrary and enjoyable jumble-sale of good things and bad, pretentious and inept and honest and accomplished, with the visitor left very much to make what he can of it all. I found it far less daunting an exercise than I had feared or some of my colleagues found.

There is little point in naming names among so many, especially as some of the better known are weakly represented and lucky (perhaps unlucky is nearer the mark) to be included; but there is also a gratifying number of good things by hitherto unknown or at best obscure artists to restore our confidence. On a personal level, I was especially pleased to see work by artists I had a hand in picking out, in a similar exercise, for the Cleveland Drawing Biennale last year, George Rowlett and Paul Nicholls in particular. It is not a heavy show, but serious in its way, and the visitor should be prepared to commit to it a reasonable amount of time (until August 30). A major exhibition of the work of the expressionist Chaim Soutine runs with it (until August 22) and I shall return to that another time.

And so on to the British Museum, which is showing (until September 12) a selection of drawings from the Museum of Modern Art in New York, and very remarkable, if at moments irritating an exhibition it is. The period covered is the past 100 years, the work from van Gogh and Seurat to Carl Andre and Richard Serra, which serves succinctly to make the point.

The show is indeed something of an embarras de richesse, but it is poorly selected and being so is also rather too large. The great strength is in the earlier and the international work, with wonderful things from major figures, Matisse and Picasso especially, and Cezanne, Grosz, Schiele and Mondrian: but even with the best of them it is a mistake to assume that every one is a winner, and here important figures, Klee for example, or Modigliani, are represented by indifferent or even insignificant items. But it is when we come to more recent times that the show becomes most crushingly tiresome, and not least because it then becomes narrowly parochial. The whole of the second room, usually given over to Oriental Art, is taken up with American drawing of recent times, almost exclusively fatuous and out of scale, self-important and tediously conceptual: an automatic work by Robert Morris, done with his eyes shut, Sol le Witt's cumulative straight lines, Rauschenberg's precious and arbitrary rubbings. The Jim Dine drawing of a baby is alone outstanding, which is something I had never thought to say. Such a collection would be rather less questionable on its own, but here it is shown up by the company it attempts to keep.

And what does the Museum of Modern Art in New York have to tell us about British Art? Three artists must do, the vorticist Lawrence Atkinson, and Henry Moore and Jacob Epstein. And where are Walter Sickert, Gwen John, Stanley Spencer, Paul Nash, Graham Sutherland, Lucian Freud, David Jones, Leon Kossoff, Frank Auerbach, David Hockney—and there are many others? It is frustrating and even disappointing an exhibition in so many ways, but something to savour all the same, for the few wonderful oysters in the stew.

'Circe'; watercolour by George Grosz

## Les Troyens á Carthage/Albert Hall & Radio 3

**Max Loppert**

The second part of Les Troyens, at the Proms on Sunday, fared rather better—or rather less disappointingly—than the first. This is not to say that the two narrators were any more welcome, or that Rozhdestvensky, conducting, could claim any suddenly improved understanding of the unique Berlioz operatic style, especially that area of it deriving directly from the Gluckian model of récitative and arioso (in which the conductor's ability to keep abreast of his singers was often severely in question).

But the Carthaginian acts of the opera divide more easily into distinct numbers than the severely moulded Trojan; and, while much orchestral detail could still have benefited from a more considered kind of rehearsal scrutiny than Rozhdestvensky apparently deigns to undertake, the chaste Mediterranean magic of self-contained episodes was after all quite potently evoked. Choral singing was stronger, orchestral playing on the whole less ragged—a passing word for the clarinet playing, beautifully classical on both evenings, of Roger Fallows.

When such respects have been paid, and when the richly vibrant Anna (Cynthia Buchan) and strongly stylish Narbal (Pierre Thau, single Frenchman of the Proms casts) have been saluted, the centre of the stage belongs almost as of divine right to Jessye Norman. Miss Norman was here a Dido of fabulous regal dignity, infinitely fine and tender in small things, whose voluptuous soprano spread a sheen of luminosity and warmth over the entire hall. The grand classical heroine, furiously passionate in final downfall, that Josephine Veasey used to show us is the aspect of the role still to be comprehensively mastered by her successor—though Miss Veasey had Colin Davis to urge her to the heights, whereas in passages of torment and despair Miss Norman was sometimes heard to be working all but unaided.

Nevertheless, as nothing this singer does goes without development and further deep study, we may happily predict that in a future Troyens, of worthier overall preparation, this must become a Dido beyond compare. In that performance, she will surely be partnered by an Aeneas less unkind to the ears than Richard Cassilly—in Friday's part of the opera, the tenor got by on loudness, whereas on Sunday the line called for rather more lyricism than stentorian force, and Mr Cassilly (a not insensitive or unintelligent performer) was often sadly at a loss. Though the lyric tenors, a suave Iopas from Ian Caley and a haunting Hylas from Anthony Rolfe Johnson, did their best, the performance was even more wanting in the heavy-weight department than it was in the conducting.

## Toyah/Hammersmith Odeon

**Antony Thorncroft**

Toyah belongs to that bustling band of people whose determination to be famous has brought her success. Whether she is now a singer, an actress, or just a face is hard to say. She certainly seems to be as talented at all three, as most other contemporary performers. Watching her at Hammersmith it was the look that was most memorable—a face acting at being a singer, and since Toyah has worked hard at projecting an image above all else, this is as it should be.

Not that she sings badly. She performs rather, declaiming modish youth theories dressed in black with a spikey thatch of pink hair and against a backcloth of a futurist city. Her band was excellent, and the fans, mainly young men anxious to shriek her name non-stop, enthusiastic. The songs are aimed at youth — "Street creature," "Free," "The angel and me"—and put over with tremendous energy, Toyah shaking around like the doll in Coppélia.

Toyah comes across as rather nice and jolly, at odds with her screwball looks—but then she is a good middle-class girl. She makes little use of her sex and for an actress does not go in for much posturing—her gestures are limited, and for the most part the lighting crew seemed reluctant to spotlight her. It was all mildly endearing and optimistic with the strength of her songs the anthem-like quality which gives them the simple appeal of football chants. The parents waiting outside would have enjoyed it, too, and might have wondered what happened to disaffected youth.

## Kevin Volans/ICA

**Andrew Clements**

Throughout last week an exhibition of photographs by David Goldblatt and tapes by Kevin Volans took over the upper gallery at the Institute of Contemporary Arts as part of this summer's MusICA series. The installation bore the title "African Paraphrases" and over the weekend it was supplemented by performances of other African-inspired pieces by Kevin Volans, played by Paul Simmonds, Robyn Schulkosky, Margriet Tindemans and the composer.

Volans was born in Pietermaritzburg in 1949, studied in Cologne with Stockhausen, Kagel and Aloys Kontarsky between 1972 and 1981 and now teaches at the University of Natal. The three pieces heard in the hour-long concert (I caught Sunday afternoon's performance) all stay close to their roots in southern African music, to the extent of retuning two harpsichords to the non-diatonic scales the originals employ.

The result is music of fresh, invigorating invention, managing to relate itself to both native and European traditions without ever seeming contrived or fey. Mbira, for two retuned harpsichords and rattles, and Matepe for harpsichords, rattles and viola da gamba, took melodies from Shona musicians and combined them into an elaborate patchwork of phrases and refrains, not a million miles away from American systematic composers such as Terry Riley, but far more teasing and unpretentious, the overlapping harpsichord patterns picked out by the viola da gamba.

White Man Sleeps treats its originals—from San, Tswana, Basotho and Nyanga musics—far more freely. The melodies are fashioned into a series of five dances, endlessly inventive in the effects they obtain from the same limited ensemble, and communicating enormous energy. It seemed to be as much fun to play as it was to listen to.

## Benjamin & Fricker/Cheltenham Festival

**Andrew Clements**

Paul Crossley has become a relatively rare recitalist in London of late, so much so that one could forget how intelligent and sympathetic an interpreter of the standard repertory he can be. Last Thursday morning he gave a recital in the Pittville Pump Room as part of the Cheltenham Festival. The main interest in his programme was the premiere of two pieces by George Benjamin, but Crossley's excellence in other music was equally fascinating. It was by any standards a long, demanding selection: Beethoven's sonata Op. 28 and Schumann's Davidsbündlertänze in the first half, the two Benjamin works, Janáček's Sonata 1.X.1905 and three of Liszt's Etudes d'éxécution transcendante in the second.

A miscalculation of the Pump Room's acoustics—pedalling that would have been perfectly judged in one of the drier London concert halls here muddied some textures—was the only blemish on Crossley's performance. Otherwise here was a Pastoral Sonata unfolded with simple elegance, though not without its momentary twinges of deeper emotion in the Andante, and Janáček's sonata presented with totally effective austerity. Most of all it was the Schumann cycle that attracted close attention; sharply focused miniatures that perhaps favoured Eusebius against Florestan, but with keen, thoughtful control and always ready to explore new approaches.

Benjamin's Sortilèges was originally scheduled for its first performance by Crossley at last year's festival at Bath. Yet the delay in its completion enabled the pianist to bring it to Cheltenham along with the tiny Meditation on Haydn's Name which Benjamin completed earlier this year as part of a BBC commission to mark Haydn's 250th anniversary. The Meditation is a neat essay in wispy, impressionist textures, through which the musical spelling of Haydn—B, A, D, D, G—is sustained as a resonating chord.

Sortilèges is altogether more complex, and one of Benjamin's most successful works to date. It is essentially a piano fantasy, cast in two short movements, the first slow and brooding, the second more protean and extravagant and culminating in extraordinary swirls of pianissimo semiquavers before a lyrical, introspective coda. Benjamin is himself an expert, dynamic pianist and the writing for the instrument here is thoroughly idiomatic. The block construction of earlier pieces remains—there are moments when one craves for a hint of thematic development—the debt to Messiaen (Benjamin's teacher) is more obvious than ever. But it is still a work of considerable quality, underlining its composer's promise yet to be completely delivered. Crossley played both works with easy fluency, and as encore to his memorable recital provided his own tribute to Haydn's name, appropriately Messiaenic in its vocabulary.

★

The previous evening the concert by the City of London Sinfonia under Richard Hickox in Cheltenham Town Hall brought the premiere of Peter Racine Fricker's Rondeaux for horn and small orchestra, with Ifor James as assured soloist. It was commissioned by the festival, the eighth of Fricker's works to be premiered there. As that record suggests, he is in many ways the archetypal Cheltenham composer with a style comfortably rooted in 20th-century neoclassicism. There are hints of Stravinsky and Bartók in the Rondeaux, which derives its title from the rhyming scheme of medieval French lyrics. Fricker's note spoke of "rhyming" the musical elements of the piece, but in performance it seemed more like a rhapsody for the soloist with orchestral punctuation—blameless, competent and distressingly unmemorable.

## L'esule di Roma/Elizabeth Hall

**Richard Fairman**

So many Donizetti operas have been revived over the last few years that the public might well ask why this latest revival merits their attention. Since the 1960s L'esule di Roma (Naples, 1828) has been known only from text books, where it was noted as the first work to win Donizetti respect. As a viable piece of theatre it has been long forgotten. This performance, the first for a century, was not note perfect—the singers occasionally seemed to be reading their parts as they went along—but it did have first-rate soloists who brought the music alive. At least three of their scenes gave us the composer at his most inventive.

One of these is the extended finale for the heroine, Argelia. The piece is reminiscent of opera seria: while her father and lover are being thrown to the lions off stage, Argelia paces up and down, expressing her changing emotions in self-contained sections of music, each full of vocal display. It is a real showpiece. Few sopranos today could do the work justice, and the Donizetti Society were lucky to have secured the services of Katia Ricciarelli for the part. She has almost everything that the role demands: beauty of tone, a lovely legato line, and real sympathy in the voice. Only a few forced top notes disappointed.

In most opera houses she would be paired with Carreras or, perhaps, Pavarotti. Here, instead, we had the American Bruce Brewer, a very different type of tenor, smaller in voice and more at ease in the highest register. (In an interpolated aria he rose to a high E with no apparent strain.) Comparisons have inevitably been made with the legendary Rubini, but as yet they seem premature. Where he has no opportunities to dazzle, Brewer is less impressive, either in quality of voice or as a stylist.

As the treacherous senator Murena, John-Paul Bogart used his fine, dark bass voice to great effect. (In this opera it is the bass, not the soprano, who has a mad scene.) More light and shade would have been welcome in his duet with Ricciarelli, and the same could be said throughout of John Gibbs, an unsubtle Publio. The chorus was weak, but orchestra and soloists pulled together well under Leslie Head's direction. After all the work the Donizetti Society has done preparing this score from material held in the Royal College of Music, it is good to credit them with this worthwhile revival. Donizetti's early operatic success has been exiled for too long.

★

Oliver Knussen has won the Park Lane Group Composer Award 1982 of £2,000. The new award was established to celebrate the 25th anniversary of the group.

## Arts news in brief

For the first time since it was given to the nation 35 years ago by the seventh Duke of Wellington, Aspley House, the Wellington Museum at Hyde Park Corner will be open to the public from today.

Detailed research by the staff of the Victoria and Albert Museum, which administers the house, has revealed the Duke's taste in interior decoration, and four years' work have returned much of Aspley House to its original appearance.

The spectacular Sàvres Egyptian Service will be on permanent view for the first time; the paintings in the Waterloo Gallery have been rehung in the manner of the Duke's day, and even the railings in front of the house have been repainted their original bronze-green.

Admission is 60p for adults and the museum will be open Tuesday to Saturday 10 am to 6 pm, Sunday 2.30 to 6 pm.

★

The Theatre Royal Bath is reopening on November 30 with a National Theatre production of A Midsummer Night's Dream with Paul Scofield. This will be followed by The Night they raided Minsky's by the New Vic Theatre and the annual pantomime, Cinderella.

★

The winner of the £5,000 Triple First Award, the new annual literary prize for a first novel, announced last year by The Bodley Head, Penguin Books and Book Club Associates, is David Wheldon for his novel, The Viaduct.

It will be published by The Bodley Head in February 1983, and will be a choice of the Literary Guild. It will be published in paperback a year later by Penguin Books.

The novel was chosen from among 641 typescripts submitted for the prize, and was the final choice of the two consultant judges, Graham Greene and William Trevor.

In the opinion of Graham Greene, "The Viaduct is a remarkable novel," and he goes on to write that he is amazed that it is a first one. David Wheldon is 32. He is a medical microbiologist at a hospital outside London.


## THEATRES

ALBERY. Air-cond. 836 3878. CC 930 9232-379 6565. Grp bkgs 839 3092-836 3962. Eves 7.30. Thur & Sat Mat 3.0. OLIVER COTTON, ELIZABETH QUINN, CHILDREN OF A LESSER GOD. PLAY OF THE YEAR SWET 1981. ELIZABETH QUINN ACTRESS OF THE YEAR in a new play SWET 1981.

ALDWYCH. S 836 6404. CC 379 6233. ALAN HOWARD. Best Actor of the Year in the RSC Award-winning production of GOOD. EVES 7.30 SHARP, mats Wed & Sat 2.30. Wed mat 2 for price of 1 on £8, £6.50, £5. Hurry! Season extended till August 7.

AMBASSADORS. S. CC. 836 1171. Grp sales 379 6061. Tkts £6.50, £5.00, £4.50, £4, £3. Eves 8 pm. TODAY Mat 3.0 & Sat 5.00. ROSEMARY LEACH, DAVID SWIFT, 84 CHARING CROSS ROAD by Helene Hanff. OVER 250 PERFORMANCES.

APOLLO, Shaftesbury Ave. CC 01-437 2663. Credit card Hotline 01-930 0232. Mon-Fri evgs 8.0. Mat Wed 3.0. Sat 5.0 & 8.30. ALAN AYCKBOURN'S new comedy SEASON'S GREETINGS.

APOLLO VICTORIA (opp. Victoria Stn). THE SOUND OF MUSIC. PETULA CLARK. London's most star-studded Musical. Evgs 7.30. Mats Wed & Sat 2.30. Box Office 10 am-8 pm in person-phone-post & SAE. HOTLINES 01-828 8665-6-7. Credit cards 01-836 6919-6184. Teledata 01-200 0200. 24-hr service. Group sales 01-379 6061. Group bkgs 01-839 2751. THE SOUND OF MUSIC. London's greatest value. Good seats from £2.50 now available at doors. LAST 9 WEEKS—ENDS SEPT 18.

BARBICAN. S. 01-628 8795. CC 01-638 8891. (Mon-Sat 10am-8pm, Sun 12-30-8pm) 24-hr info 01-628 2295. ROYAL SHAKESPEARE COMPANY. BARBICAN THEATRE tomor 7.30pm seats avail reduced price preview THE WINTER'S TALE. Day seats £3.00 from 10am. THE PIT—ton't 7.30pm THE TWIN RIVALS by Farquhar—additional seats main tkts may be avail. (Runs approx 2½hrs) BARBICAN FAMILY FESTIVAL—for details contact Box Office. Booking open for HENRY IV PTS I & II, A MIDSUMMER NIGHT'S DREAM, ALL'S WELL THAT ENDS WELL, until 30 Oct. RSC also at Aldwych/Piccadilly.

BARBICAN HALL, Barbican Centre, EC2. CC 01-638 8891. Reservations 01-628 8795. No perf. today. July 24 Gershwin Evening—Sold Out. July 25 Alarab's Band, July 26 The Basil Brush Show.

CHICHESTER FESTIVAL THEATRE. 0243 781312. Season sponsored by Martini & Rossi Ltd. VALMOUTH Tonight at 7.30.

COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Season opens Sat 7.30 TOSCA. Rep. incls CARMEN, MAKROPULOUS CASE, BARBER OF SEVILLE.

COMEDY THEATRE. S 930 2578. Credit card bookings 839 1438. Grp sales 379 6061. Mon-Fri 8.00. Sat 8.15. Mats Thur 3. Sat 5.15. Price £2.50-£7.00 (not suitable for children). STEAMING by NELL DUNN.

COVENT GARDEN. 240 1066. S. Access/Visa 836 6903. 65 amphiseats avail for all perfs (Mon-Sat) from 10am on the day. THE ROYAL OPERA Ton't & Fri 7.30 La Sonnambula. "Luciana Serra . . . this is how Bellini should sound." Times. Tomor & Sat 7.30 La Bohème. ROYAL BALLET SCHOOL PERFORMANCE Thurs 7.30 English & Scottish Folk Dances. Here We Come, Giselle. PARIS OPERA BALLET. July 27-31 La Sylphide. Aug 2-7 A Midsummer Night's Dream. BATTERSEA PARK BIG TOP. 240 1066. Access/Visa 836 6903. Box Office open 10.30-7.30. Tkts avail from Royal Opera House up to 1 hour before performance THE ROYAL BALLET. Ton't 7.30, Tomor 2.00 & 7.30 La Bayadère, The Two Pigeons, Thurs, Fri 7.30, Sat 2.00 & 7.30 Swan Lake: £3, £5, £9. Ample free parking nearby.

CRITERION. S. Air-cond. 930 3216. CC 379 6565. Grp reduction 836 3962. Mon to Thur 7.30. Fri & Sat 6.00 & 8.45. Over 400 performances. DARIO FO's COMEDY CAN'T PAY? WON'T PAY! Students all seats £3.50.

DONMAR WAREHOUSE, 41 Earlham St. S. CC. 01-836 1071-379 6565. LAST WEEK. AUNT MARY by Pam Gems. Evgs 8.0. Sat 5.0 & 8.15. Thur Mat 3.0.

DRURY LANE Theatre Royal. CC 01-836 8108. Grp sales 379 6061. TIM CURRY, PAMELA STEPHENSON, GEORGE COLE, ANNIE ROSS in THE PIRATES OF PENZANCE. Eves 7.30. Mats Wed & Sat 3.0. Credit card Hotline 930 9232.

DUKE OF YORK'S. 836 5122. CC 836 9837. Group sales 379 6061. Mon-Thur 7.45. Fri 6 & 9.15. Sat 5.15 & 8.30. Billy Connolly & Patrick Ryecart in J. P. Donleavy's new comedy BALTHAZAR.

GARRICK. CC 836 4601. Eves 8. Mats Wed 3. Sat 5 & 8. 12th HYSTERICAL YEAR OF THE LONGEST - RUNNING COMEDY IN THE WORLD. NO SEX PLEASE WE'RE BRITISH. Directed by Allan Davis. Group sales Box Office 379 6061. Credit Card bookings 930 9232.

GREENWICH. S. CC. 01-858 7755. Noel Coward's DESIGN FOR LIVING. Evgs 7.45. Matinees Sat 4.0.

HAYMARKET THEATRE ROYAL. 930 9832. LAST 2 DAYS. Evgs 7.30. Mats Wed 2.30. Sat 4.0. PENELOPE KEITH, ANTHONY QUAYLE, TREVOR PEACOCK in HOBSON'S CHOICE. A Comedy by Harold Brighouse. Directed by Ronald Eyre. Running in repertoire with Captain Brassbound and Uncle Vanya.

HAYMARKET THEATRE ROYAL. 930 9832. From Thursday until July 31. PENELOPE KEITH in CAPTAIN BRASSBOUND'S CONVERSION. By Bernard Shaw. Directed by Frank Hauser.

HAYMARKET THEATRE ROYAL. 930 9832. August 3 to September 4. DONALD SINDEN, FRANCES DE LA TOUR, RONALD PICKUP, SHEILA GISH, BILL FRASER, MARGARET RAWLINGS, FREDA JACKSON, HARRY ANDREWS in UNCLE VANYA by Anton Chekhov. Directed by Christopher Fettes.

HER MAJESTY'S. 01-930 6606-7. Credit Card Hotlines 930 9232 & 930 4025-6. Group Sales 379 6061. Eves 7.30. Sat Mat 3.00. THE NATIONAL THEATRE'S MULTI-AWARD WINNING INTERNATIONAL SMASH - HIT. FRANK FINLAY in AMADEUS by PETER SHAFFER directed by PETER HALL with Nickolas Grace.

KING'S HEAD. 226 1916. Dnr 7. Show 8. MARRY ME A LITTLE songs by Stephen Sondheim.

LONDON PALLADIUM. 01-437 7373. MICHAEL CRAWFORD in the Broadway Musical BARNUM. Evgs 7.30. Mat Wed and Sat 2.45. Use the Barnum Hotlines 01-437 2055. 01-734 8961 for instant credit card reservations. MATINEE TOMORROW 2.45 SEATS AT DOORS. NOW BOOKING TO FEBRUARY 5 1983.

LYRIC THEATRE. Shaftesbury Ave. Box Office 437 3686. Tel Credit card bkgs accepted. GLENDA JACKSON, GEORGINA HALE in SUMMIT CONFERENCE. A new play by Robert David MacDonald. Evgs 8.0. Mats Wed 3.0. Sats 9.0.

LYRIC HAMMERSMITH. S CC 01-741 2311. 01-200 0200 (24 Hrs) Eves 7.30. JULIAN GLOVER tells the epic tale of BEOWULF.

MAY FAIR. S CC 629 3036. Mon-Thurs 8.00. Fri and Sat 6 & 8.30. Richard Todd, Derren Nesbitt, Carole Mowlam in THE BUSINESS OF MURDER. SECOND GREAT YEAR.

NATIONAL THEATRE. S 928 2252. OLIVIER (open stage) Ton't 7.15 (low price prev) Opens Tomor 7.00 DANTON'S DEATH by Georg Buchner. LYTTELTON (proscenium stage) Last 4 Perfs Ton't, Thur 7.45, Tomor 3.00 (low price mat) & 7.45 THE SECOND MRS TANQUERAY by Pinero. (Last 8 Perfs July 29, 30, 31 mőre, Aug 2, 3, 4 mőre ON THE RAZZLE. COTTESLOE (small auditorium—low price tkts) Ton't Tomor 7.30 THE BEGGAR'S OPERA by John Gay. Excellent cheap seats day of perf all 3 theatres. Summer standby from 10 am day of perf. Car park. Restaurant 928 2033. Credit card bkgs 928 5933. NT also at HER MAJESTY'S.

NEW LONDON. CC Drury Lane, WC2. 01-405 0072 or 01-404 4079. Evs 7.45 Tues and Sat 3.0 & 7.45. The Andrew Lloyd-Webber-T. S. Eliot Award Winning musical CATS. Group bookings 01-405 1567 or 01-379 6061. LATECOMERS NOT ADMITTED WHILE AUDITORIUM IS IN MOTION. PLEASE BE PROMPT. NOW BOOKING TILL JAN 29.

OPEN AIR REGENT'S PARK. S 486 2431. Instant credit card bookings 930 9232. SHAW DOUBLE BILL tonight & Fri 8.00. Mat Sat 2.30. THE TAMING OF THE SHREW, Wed 2.30 & 7.45. A MIDSUMMER NIGHT'S DREAM Thur 2.30 & 7.45.

PALACE. CC 01-437 6834. CC Hotline 437 8327. Andrew Lloyd-Webber's SONG AND DANCE. Starring Marti Webb & Wayne Sleep. Due to overwhelming demand. Now booking to Jan 1983. Eves 8.0. Fri & Sat 5.45 & 8.30. Some good seats still available most perfs. Group sales 437 6834, 379 6061. From Aug special guest star for one month only Gemma Craven. Marti Webb returns from hols 13 Sept.

PICCADILLY. S. Air-Cond 437 4506. CC 379 6565. Group sales 01-836 3962. 379 6061. Prestel bkgs Key 220 2324. Mon-Fri 7.30. Mats Wed 3.0. Sat 5.30 & 8.15. Students £3.50 in advance. ROYAL SHAKESPEARE COMPANY in Willy Russell's new comedy EDUCATING RITA. RSC also at Aldwych-Barbican.

PRINCE EDWARD. Tim Rice and Andrew Lloyd-Webber's EVITA. Dir. by Hal Prince. Evgs 8.0. Low price Mats Thur & Sat 3.0. Evgs perfs end 10.15. Box Office 437 6877. CC Hotline 439 8499. Grp sales 379 6061 or B-O last. 24-hr bkgs Teledata 01-200 0200.

PRINCE OF WALES THEATRE. 930 8681. CC Hotline 930 0846 or Teledata 01-200 0200 (24-hr bkgs). Group sales 01-379 6061, for booking on entry. ROY HUDD, CHRISTOPHER TIMOTHY in UNDERNEATH THE ARCHES. The smash hit Family Musical. Mon-Thurs 7.30. Fri & Sat 5.15 & 8.30. SPECIAL RATE £4 ANY TICKET, children, OAPs, students.

QUEENS. S CC 01-734 1166, 439 3849-4031. Credit cards 01-930 9232. Group sales 01-379 6061. Evenings 8.00. Mat Wed 3.00. Sat 5.30 & 8.30. ANOTHER COUNTRY by Julian Mitchell.

RAYMOND REVUEBAR. CC 01-734 1593. Mon-Sat nightly 7pm, 9pm, 11pm. PAUL RAYMOND presents THE FESTIVAL OF EROTICA. Special concession to members of HM Armed Forces. Admission £1.00 to any 7pm perf. 25th sensational year.

ROUND HOUSE. 267 2564. OXFORD PLAYHOUSE CO in THE CHERRY ORCHARD by Anton Chekhov. Prevs Aug 6 & 7 at 8.0. Seats £2.50. Special Tea Matinee Aug 7 at 4.0. Seats £1.75. Opens Aug 9 at 7.0. Sub evgs 8.0.

ROYAL COURT. S CC 730 1745. Evgs 8.0. Mat Sat 4.0. Mon Evgs & Sat mat all seats £2. INSIGNIFICANCE by Terry Johnson.

ROYAL FESTIVAL HALL. 01-928 3191. LONDON FESTIVAL BALLET July 27-Aug 14. A Summer season of classical ballets.

SADLER'S WELLS THEATRE, EC1. CC 01-278 8916 (5 lines). Group Sales 379 6061. 24 Hr instantly confirmed res. 01-200 0200. ROYAL BALLET SCHOOL in Giselle & a quadruple bill. 28 to 31 July. 3rd Dance Subscription now open "the best dance series ever." Ring 01-278 0855 (24 hrs) for brochure. AMPLE FREE PARKING after 6.30 pm.

SAVOY. S 01-836 8888. CC 930 9232. Evenings 7.45. Mats Wed 2.30. Sat 5.0, 8.30. MICHAEL FRAYN'S NEW COMEDY NOISES OFF. Directed by MICHAEL BLAKEMORE.

ST. GEORGE'S SHAKESPEAREAN TH. 01-607 1128. Perfs 7.30 pm MACBETH Thur. TWELFTH NIGHT Fri. Sat. LAST WEEK.

ST. MARTIN'S. CC 836 1443. Evgs 8. Tues Mat 2.45. Saturdays 5 & 8. Agatha Christie's THE MOUSETRAP. World's longest-ever run. 30th Year. Fully air-conditioned theatre.

VAUDEVILLE. CC 01-836 9988. Eves 8. Wed mats 2.45. Sats 5 & 8. GORDON JACKSON in AGATHA CHRISTIE'S CARDS ON THE TABLE. Fully air-conditioned theatre.

VICTORIA PALACE. CC 01-930 9232. 01-828 4735-6. Group Sales 379 6061. DENIS WATERMAN, ANTON RODGERS. The News Musical WINDY CITY. Based on the play The Front Page. Directed by Peter Wood. Opens tonight 7pm. Sub nightly at 7.30 pm. Mat Wed & Sat 3 pm. Credit card Hotline 930 0232.

WESTMINSTER. CC 834 0283. HANNAH GORDON, GWEN WATFORD, PAUL DANEMAN, JOHN CARSON in THE JEWELLER'S SHOP by Pope John Paul II. Evgs 7.45. Mats Wed & Sat 2.30.

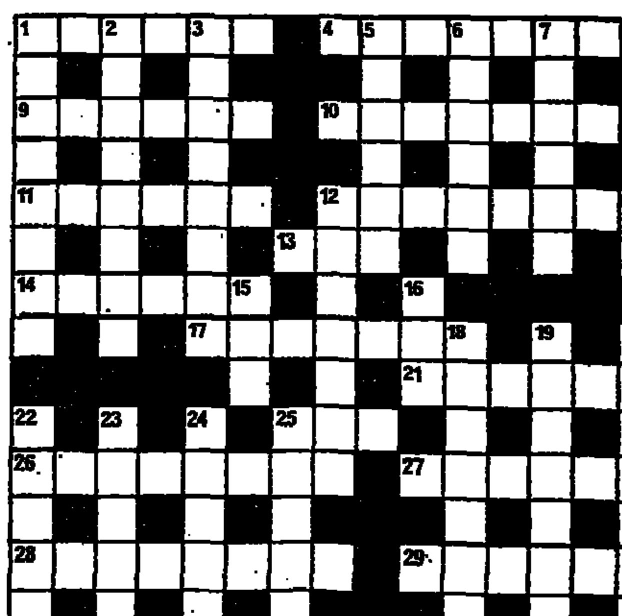
WHITEHALL. 839 6975-6976 & 930 6692-7765. ROBERT POWELL as Phillip Marlowe, LEE MONTAGUE as Raymond Chandler in PRIVATE DICK with Ronnie Letham & Elizabeth Richardson. Tickets £3, £4, £5, £6, £7, £8. Students S-by £2.50. Mon-Thur 8pm Fri & Sat 6.15pm & 8.45pm.

WYNDHAM'S. Air cond. S 836 3028. CC 379 6565. Grp reductions 836 3962. Mon-Fri 7.30. Sat 4.30 & 8.00. Wed mat 2.30. Record UK run for any Miller play. LAST 2 WEEKS. COLIN BLAKELY, ROSEMARY HARRIS in ARTHUR MILLER'S ALL MY SONS. Directed by Michael Blakemore.

WYNDHAM'S. From 3 Aug. Eves 8.0. NOW BOOKING. ROBYN ARCHER'S A STAR IS TORN.

YOUNG VIC (Waterloo). 928 6363. Evgs 7.30 WAITING FOR GODOT, dir by Ken Campbell. From Aug 3 Edward Fox in HAMLET. All seats £2.30.


## F.T. CROSSWORD PUZZLE NO. 4,927



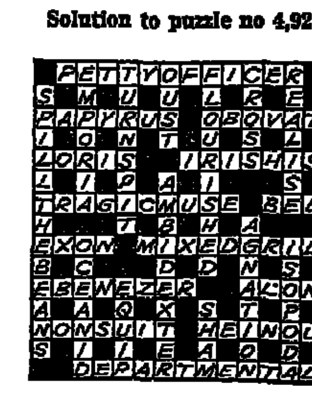
**ACROSS**

1 Acted like a vandal and was dismissed (6)
4 The control of the stockholder? (4-4)
9 A pop song creature (6)
10 Scoundrels who show no compunction in breaking into houses (8)
11 Charges for plants (6)
12 Put up with the closed shop (8)
13 A short spell of physical jerks is appropriate (3)
14 Makes work play perhaps (6)
17 Perhaps he's right to gamble and drink (7)
21 It may be recommended as a sun resort (6)
25 Part of a wheel that projects about a centimetre (3)
26 Young female accompanist (8)
27 A trying delay (6)
28 Complete description of a mustang (8)
29 It's evenly distributed as a name for either sex (6)
30 There is nothing amiss in such speculations (8)
31 It gives you a walk-over in the game (6)

**DOWN**

1 It's a pest, in the main (5, 3)
2 For which one needs to be in fighting form? (5, 3)
3 Weather men caught in a flurry of sleet (8)
5 The full extent of the rise (6)
6 Game in which you have to leap about (6)
7 Remains and suffers (6)
8 Being badly used is in neglect (6)
12 Simple type but he shows skill in 31 across (7)
15 Reserved for the cast (3)
16 Service information (3)
18 Assume the captaincy and do some bowling (4, 4)
19 Attacked as the ship left port (8)
20 A leading function (8)
22 Free of charge? (6)
23 Take a walk in the rose-garden (6)
24 It may be rude to make a digression (6)
25 To be consistent he must be in the middle (6)

Solution to puzzle no 4,926



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Tuesday July 20 1982

# Unshackling a monopoly

CAN IT really make sense to leave a heavily protected state monopoly in charge of an important part of the communications revolution? The Government clearly thinks not. And with one eye on the privately owned and notably efficient Bell System in the U.S., Mr Patrick Jenkin, the Industry Secretary, has announced that 51 per cent of British Telecom is to be sold to the public if the Government survives the hurdle of the next election.

On the face of it the Bell System offers an attractive model—a model that is all the more appealing to the present Government in the light of recent moves to have American Telephone & Telegraph, the holding company, reduce its monopoly by divesting itself of its local telephone operating companies. But it is questionable how far the transfer of 51 per cent of the ownership of British Telecom to the private sector will help produce similarly impressive results.

One of the chief disciplines of the capital market—the threat of takeover—will be largely absent since the Government will retain 49 per cent. And since private individuals are, in the aggregate, net sellers of ordinary shares to institutions such as insurance companies and pension funds, the public will not be particularly well represented on the share register. In effect a measure of control will pass from civil servants mainly to professional fund managers whose ability to monitor the performance of a large-scale high technology concern of this kind is unproven.

### Control

What privatisation will bring is greater access to capital for British Telecom, which has hitherto struggled under the yoke of the Treasury which traditionally uses the public sector's growth industries as milch cows with which to reduce the public sector borrowing requirement. It is good that this state undertaking may now stand a sporting chance of being able to find adequate finance for its investment programme, though a dismal reflection on the system of public expenditure control that makes privatisation, with attendant transaction costs, the only obvious way to achieve that end.

Arguably the more important part of yesterday's White Paper concerns British Telecom's role in its own market place. Mr Jenkin accepts that British Telecom will continue to dominate the market for telecommunications for some years and that proper regulatory arrangements will be needed to balance the interests of suppliers, customers, employees, investors and the telecommunications companies themselves. To that end the Government proposes to set up a new Office of Telecommunications, to be modelled on the Office of Fair Trading. The director general of the new office would be required to ensure fair competition and fair prices.

### Competition

Control over tariffs is essential if British Telecom is not to abuse its monopoly pricing power either by squeezing the consumer or through undermining competitors via excessively low prices. And the meaning of "fair competition," which remains unelaborated in the White Paper, will need considerable spelling out to ensure that the full benefits of competition are reaped.

There is something inherently worrying about a single monopoly corporation taking all the decisions about, say, the renewal of cable and transmission equipment and investment in new exchanges. More competition in communications would help reduce the risk of over-dependence on one kind of technology or system. And by attacking British Telecom's central purchasing power, it would ensure that suppliers were no longer building to a single specification. The scope for new products, new export opportunities and new jobs would be opened up.

A number of questions about the proposed flotation remain to be answered. Existing pension obligations, for example, which involve all manner of technical problems at British Telecom relating to past funding liabilities, are to be safeguarded; this could pose prospectus headaches. But the general case for opening up the field to more competition is a powerful one. The mere existence of Mercury, a potential private-sector inter-city telephone system operator, has already visibly sharpened up British Telecom's responses. That is the way to produce a communications network which is more responsive to consumers' needs.

# Close to a deal in Namibia

NEGOTIATIONS FOR a peaceful settlement in Namibia (South West Africa) seem to be close to success. Talks taking place in Washington, New York and Angola in the coming days are widely regarded as crucial to the fate of more than four years of painstaking diplomacy, and thousands of miles of diplomatic shuttling, which have been involved in the effort. If it does succeed, the exercise will represent a victory for good sense in Africa, it will remove a major source of instability in a region desperately in need of economic development and it will provide a notable foreign policy success both for President Reagan in Washington and for the cause of Western co-operation.

### Presence

The settlement plan sponsored by five Western nations provides for a United Nations-supervised ceasefire in the territory, where South African troops have been fighting guerrillas from the South West Africa People's Organisation for some 15 years. There would then be a progressive withdrawal of South African troops, while a joint UN-South African administration made the necessary arrangements for an election to a constitution-drafting assembly—which in turn would lead the territory to independence.

In spite of general agreement on that plan, its implementation has been bedevilled by profound political mistrust between, on the one hand, South Africa and its sympathisers in Namibia and, on the other, Swapo and its African allies in the Organisation of African Unity.

One major stumbling block remains in the way of the latest hopes of agreement: the presence of an estimated 15,000 to 20,000 Cuban troops in Angola, where Swapo's guerrillas have their bases. The question of the Cuban troops has never been directly part of the Namibian negotiations, but it has been indirectly linked since the advent of the Reagan administration in Washington. An awareness of U.S. concern has encouraged South Africa to use their presence as a key bargaining tool.

Both Angola and its African allies regard the presence of Cuban troops in that country as an internal matter for the Angolan government. They were summoned during the 1975 civil war, it is argued, when South African troops invaded from Namibia, and they will withdraw only when the threat of further South African aggression against Angola (as opposed to Swapo) is finally removed.

There is no doubt that South Africa would be reassured by the departure of the Cuban troops, and that Mr P. W. Botha, the South African Prime Minister, needs such a card to present to his own domestic electorate, to persuade them that a Namibia settlement is worthwhile.

What the U.S. negotiators have sought to do is reach a separate deal with Angola on Cuban withdrawal, which the Angolan government can present as a sovereign decision, while Mr Botha could argue that it was part of the package. The danger is that Mr Botha's very public demands for direct linkage of the two issues may make it impossible for Angola to agree.

It would be a tragedy if the issue of the Cubans were allowed to abort the Namibian negotiations at this late stage. Angola has made it absolutely clear that they will leave when the threat of South African attack is removed — and with South African units now operating at will across the Namibian border, that is a very real threat.

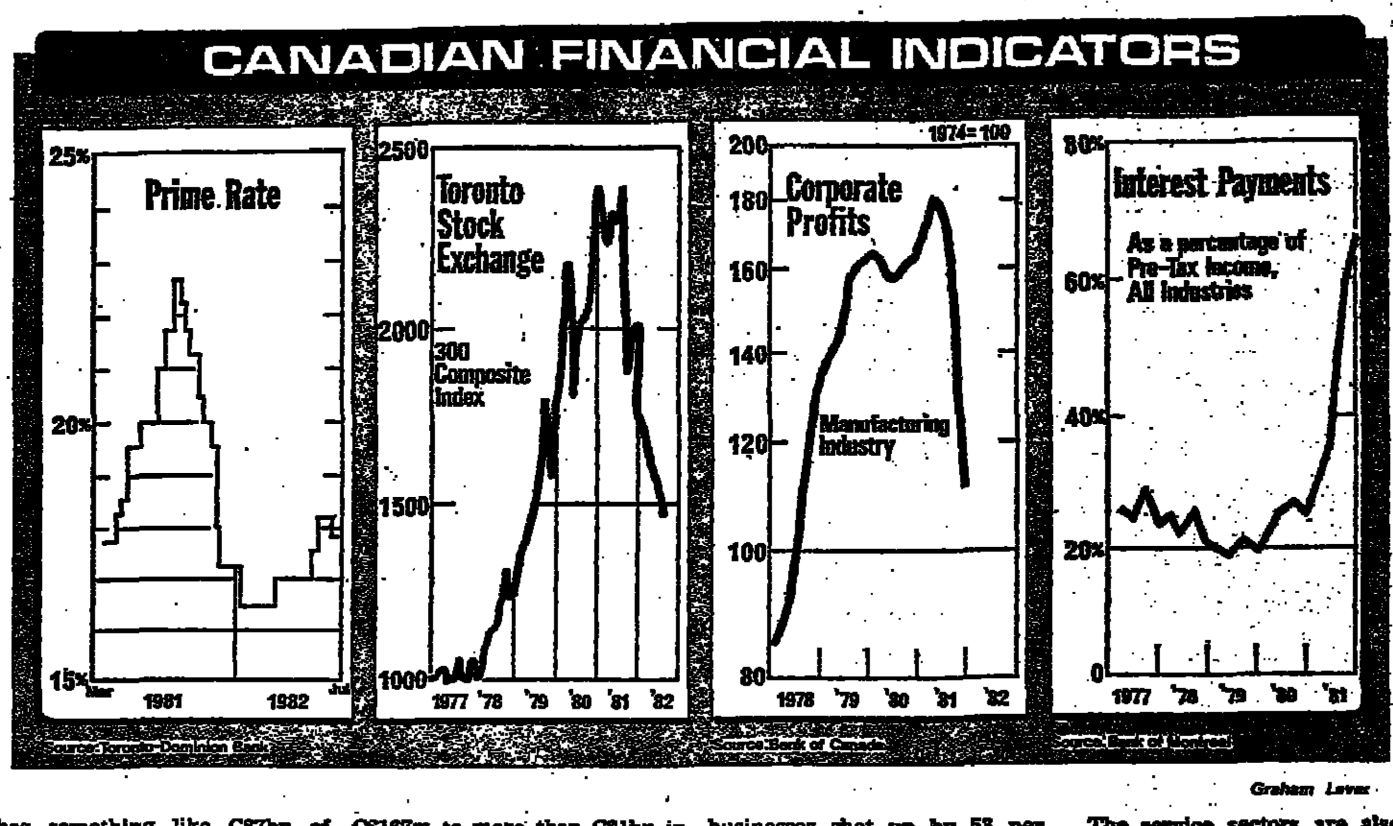
### Assurance

What the Western five must do is persuade Angola and its African allies that it is not just a question of Cuban withdrawal that is related — indirectly — to a Namibian settlement, but the stability of the whole region. If the Africans could be given a Western-backed assurance that South Africa would cease its destabilisation activities in other parts of the region—for example in training and supplying anti-government guerrillas in Mozambique—then a demand for Cuban withdrawal might become more acceptable. In that way, a Namibian settlement would indeed become what its promoters desire: a basis for stabilisation throughout southern Africa.

CANADA'S BANKS

# A painful energy hangover

By Richard Lambert




Graham Lever

THE CANADIAN banking system, long recognised as one of the strongest in the world, is going through a period of extraordinary uncertainty. Last week, Mr Rowland Frazee, who as chairman of the Royal Bank of Canada, heads the fourth largest bank in North America, wrote to his 1,500 branch managers: "There is no justification whatsoever for any doubt as to the safety of depositors' funds in the Royal Bank of Canada," he told them. "... It would be nothing short of preposterous for anyone to suggest even the slightest possibility of a situation in which the Royal could not meet its obligations to depositors."

A few days earlier, a provincial politician in British Columbia had briefly made the headlines with a wholly unfounded claim that another major Canadian bank was in danger of going under. At about the same time, on the other side of the country, a third large bank suffered a brief run at one of its branches in Newfoundland.

What makes this so remarkable is that by any objective standard the integrity of the big chartered banks in Canada cannot be questioned. It is true that their capital ratios have deteriorated over the last decade—C$1 of net worth now supports nearly C$32 of assets compared with C$21 a decade ago—but this pattern is not out of line with banks in other countries.

The system is concentrated around five powerful banks, which together control over four-fifths of the country's banking assets, and it has an enormous strength in the quality of the banks' liabilities, which are built on a solid core of retail deposits collected through a network of 7,500 branches spread across a diversified economy. These deposits represent something like four-fifths of their Canadian dollar liabilities.

The banks are also well spread internationally—roughly two-fifths of their business—with a heavy emphasis on the U.S. and Western Europe.

Their role in the economy and society is broadly comparable to that of the UK clearing banks, on which they are modelled. So the present mood of jittery concern, which has been fully reflected in tumbling prices on the stock exchange, is obviously alarming.

It stems from three connected sources. One is the serious liquidity strain now being faced by just about the entire Canadian company sector at a time when profits are falling through the floor. Another is the level of business confidence in the economic management of the Federal Government, which is at a very low ebb. Third, and most important, is the financial condition of Dome Petroleum, a once high-flying energy group which has run into serious cash flow difficulties. With shareholders' funds of little more than C$1bn, it has something like C$7bn of debt outstanding, roughly C$4bn of which is owed to the Canadian banks.

In the view of Mr William Kennett, Canada's Inspector General of Banks, "if the Dome question would be resolved, the wholly unwarranted concern about the Canadian banks would disappear." Mr William Mulholland, chairman of the Bank of Montreal, agrees. "Dome simply has to be fixed because it has become a symbol," he says. "The consequences of not fixing it are out of proportion to the size of the problem."

At the moment, the company is up to date with all its interest payments. But it has an enormous volume of debt falling due in the coming months, which will have to be rolled over in some way.

The quality of Dome's security varies from bank to bank, which complicates the problem. But bankers and government officials agree on one point: the company is backed by a solid portfolio of energy assets, capable of producing revenues when they are eventually brought into full production. "The worth is there: I'm satisfied of that," says Mr Russell Harrison, chairman of the Canadian Imperial Bank of Commerce which is one of Dome's biggest lenders.

The banks and the Government are now attempting to agree on how to share the pain of a financial reconstruction. But given the assets backing, Mr Gerald Bouey, Governor of the Bank of Canada, says that "whether there will be any pain at all in the long run is another question."

Dome is the most spectacular victim of the hangover which has hit the energy sector after its acquisition binge of the past two years. There are others: Turbo Resources, for instance, where total assets rose from C$167m to more than C$1bn in two years with the help of roughly C$700m of bank loans. It too is looking for a reconstruction.

Total acquisitions in the energy sector during the 18 months to this May amounted to more than C$7.5bn, and the bids were made at an average premium of 55 per cent over the previous stock market high of the companies being acquired.

This spending spree was triggered by the Government's National Energy Program which has as one of its major objectives, increased Canadian ownership of oil and gas. It was made possible by the accommodating policies of the banks, which were swept along in the mood of euphoria when it seemed that energy prices could only go up. Instead, lower than expected gas sales, rising interest rates and new taxes meant that many companies had far less money available to them than they had expected. And with East Coast refiners picking up bargain offers of crude on the international market, the production of oil in Alberta has been running way below target.

There were other major takeovers outside the energy field in 1981, and again they were largely financed by the banks. On top of this, companies were forced to borrow heavily to finance big capital investment programmes at a time when their internal cash flow was falling away. Altogether, the funds raised by non-financial businesses shot up by 53 per cent in 1981.

The result is that finance costs have been taking a much larger bite out of profits, which are already being severely squeezed. Inflation in Canada is still running at an annual rate of about 11 per cent, and in weak market conditions companies have simply not been able to pass this on—especially in the important natural resource sector where prices in real terms have fallen to historic lows.

Volume has been coming under pressure, too. The economy swung steeply into reverse after an unexpectedly strong first half in 1981, and there are no signs yet that it has touched the bottom. According to Mr F. S. Burbidge, chairman of Canadian Pacific, "There is no question that traffic is very soft on the railroad at the moment in all sectors except for grain."

> By any objective standard the integrity of the big banks in Canada cannot be questioned

Surveying the bleak view from Noranda, a major mining, manufacturing and forest product business, chairman Mr Alfred Powis says wanly: "We are losing impressive sums of money." At Imperial Oil, the Exxon subsidiary which is Canada's largest energy group, product volumes are down one tenth so far this year, according to Mr Bill Young, a senior vice president. Motor vehicle sales are well down: negotiations for a new labour contract are under way at Ford and General Motors accompanied by much sabre rattling from both sides.

The service sectors are also having their troubles. Mr Bernard Ghert, president of Cadillac Fairview—one of North America's largest publicly owned property companies, says that demand for office space is pretty poor right across the country at present.

The impact of all this has already been painfully felt in the small company sector—business bankruptcies jumped 37 per cent in the first half of the year—and large companies are coming under increasing pressure. Despite enormous efforts to reduce costs, Massey-Ferguson—the best known of Canada's walking wounded—is still in an extremely frail condition. In recent weeks it has been seeking to defer both interest payments and payments to suppliers, and its lead bankers will be called to a meeting in the near future to re-assess its financial needs following the last capital reconstruction.

The bankers have already taken their punishment on Massey: the Commerce Bank, its main Canadian lender, provided C$100m in 1980 against its Massey loan. But in general there is no question that their bad debt experience is rising sharply.

The fact is, though, that the big five banks are still comfortably profitable. According to the Commerce Bank's Mr Harrison, "the Canadian banks will write-off this year something over double what they have ever done before, and there is no reason to think that next year won't be as bad." Yet, he adds, his bank will still make its second highest ever profit in 1982.

As for non-performing loans, Mr Harrison says that the total figure at the Commerce Bank will probably reach C$1bn in the next year, up from C$500m or C$600m a year ago. "Suppose we had another C$1bn, which we won't, and that cost us 15 per cent. That would work out at C$75m after tax"—a figure which would be very comfortably covered by this year's earnings.

Mr Robert Korthals, president of the Toronto-Dominion Bank, makes the same point: "We could take a huge shock and still cover it out of current earnings," he says.

With almost no increase in overall lending this year, the capital ratios of most of the big banks are actually improving a little in 1982. The message they want to get across is that business conditions would have to get worse than they are now before their dividend payments were threatened—let alone anything more drastic.

However, one bank just outside the big five has cut its dividend and made a loss in the first half of this year. The National Bank of Canada, which has assets of C$20bn and capital and reserves of little more than C$500m was formed through a merger in 1979, and has had a rough ride in the last two years.

Among other things, the bank suffered from high overheads and mismatched loans, and it has been pruning back its branches heavily. It now seems to be making progress. "I feel good about how the National is developing," says Inspector General Kennett. "Its structural problems have largely been overcome." This view is repeated by senior bankers, who also point out that as Canada's only Francophone bank, National has political as well as financial significance.

In Canada's closely-knit banking community, National is not likely to find itself short of friendly support.

The mood in Canada's financial sector today is weirdly familiar to anyone who was in the City of London in 1974. Then, too, there was a rueful recognition within the banks that they had been swept away in a mood of euphoria—in this case in lending money to the property sector. There were wild rumours that one of the clearers was in trouble. The Government was held in contempt by large sectors of business, and many companies were facing acute balance-sheet problems. There was even a high-flying energy company in trouble: for Dome, read Burmah oil.

Mr Robert Utting, now vice chairman of the Royal Bank of Canada, was in London eight years ago as the bank's vice president for Europe. He believes now that "Dome in large measure will be resolved in the same manner that Burmah was, with an orderly disposal of assets and a realignment of management."

Staying with the parallel, he argues that, "like Canada itself, the Canadian banking industry has been very seriously oversold as a result of excessive and irresponsible speculation."

If that view is correct, then a satisfactory resolution of the Dome affair could bring a radical change in sentiment.

# Men & Matters

## Slow burn

When Rothmans International announces its results today they are unlikely to disappoint the market where analysts have been gradually upgrading profit estimates. Also the share price is heavily buoyed by hopes of a bid from Philip Morris which indirectly controls 22 per cent of the company.

But the Rothmans board has another pressing problem on its hands. Should it pull out of Formula One motor racing sponsorship where currently it is spending more than £500,000 a year to sponsor the March team?

Last Sunday's British Grand Prix underlined Rothmans dilemma. A Marlboro car (the Philip Morris tobacco group) won the event and a John Player Lotus came fourth. The Rothmans cars came nowhere. Neither of the company's top drivers has yet notched up a point in the world championship table.

If Rothmans continues its sponsorship it will have to spend much more. A new car to compete with the world's best would cost round £3m to develop. The alternative would seem to be to pull out of bigtime motor racing altogether.

## Northern Line

Sid Weighell's cup of joy runneth over. Not only has the Aslef strike ended — but the general secretary of the National Union of Railwaymen has won a long tussle with his own men to please his 85-year-old mum.

Railwaymen like to capitalise on the sometimes dubious benefits of concessionary travel provided by their employer by holding their annual conferences as far away as possible from the usual trade union resorts of Brighton and Blackpool.

This year the NUR was in Plymouth; which had the advantage of actually being on the rail network, unlike the venues of the previous two years—St Andrew's in Scotland, and St Peter Port, in Guernsey.

Every year, the conference decides where it will meet 12 months later. And every year, proud Yorkshireman Weighell has tried to steer it towards his home county at the request of his mother, Mrs Rosalena Weighell.

She still lives in Northallerton—son Sid's birthplace—and would like to see her lad do his stuff without travelling to the far-flung outposts favoured so far by the NUR.

Hard-hearted NUR delegates have constantly rejected Weighell's pleas. But this year they have finally yielded. After a tense vote, the chosen place, beating Ayr, Coventry, Newport, Torbay and Weston-super-Mare, is ... bracing Bridlington in God's own county.

## Interest rates

If City banks harbour any jilted lovers, rail commuters, wanderlust sufferers or anybody else with a desperate urge to quit the country and head for the exotic East, they might do worse than start writing to managing director Theo Van Marle at Schroders and Chartered in Hong Kong. Schroders and Chartered, a joint venture between—yes—Schroders Bank and Chartered Bank, plus the Kadoorie family, is beefing up its wholesale banking business.

The will is there, says Van Marle, but the people strangely lacking. The problem? The glamorous lure of corporate finance. The Bank recently put two recruitment advertisements into the local Press. The first was for bankers and dealers, the second for corporate financiers and investment managers. Result — 250 replies from aspirant merger merchants, a mere four from salt-of-the-earth mainstream bankers.

Can there be such a surfeit of takeover talent in Hong Kong, working its calculator-fingers to the bone? Or is banking just boring? The message is clear: if you measure happiness in quarter-points over prime, head East young man.

Van Marle himself is, incidentally, a new arrival. Formerly running international capital markets for Schroders in London, he took over from Win Bischoff in Hong Kong last month. Bischoff, meanwhile, has gone back to London to take over Van Marle's old job.

## Busy families

This is a reader's idea, not mine. With the silly season almost upon us that splendid family company of E. T. Sutherland and Son of Sheffield (founded in 1927 to pursue the manufacture of potted beef paste and salmon paste) has enlisted my aid to challenge British industry to produce a company with a stronger family line in its top management.

Sutherland turns over about £15m a year in fresh spreads and fresh foods. It is laying down its challenge to all-comers in terms of family involvement rather than products or profits.

Edwin Talbot Sutherland, the founder, who died last month at the age of 90, started the business with one delivery van.

Now there are seven Sutherlands in top management. Edwin Talbot's son Peter, aged 57, is chairman. Peter's eldest son Nicholas is the managing director. Number 2 son Robert is the technical manager. Number 3 son Alistair is the marketing manager. Number 4 son James is the accounts manager. Number 5 son Peter John has just joined the firm. I should add that Peter's nephew David is the production director.

The burning question is: can there be another British company with as many sons/daughters and nephews/nieces working on the management team?

Sutherland cares enough about its family involvement to offer a case of sparkling wine as the prize for the company that can better its record.

## Queen's guard

The goings-on at Buckingham Palace, says my man in Peru, are even the talk of the town in Lima, where they are having their own problems preventing male intrusions into ladies' bedrooms.

Seventy-seven bedrooms to be precise. For the capital of the Andes is this week host to the 1982 Miss Universe contest, sponsored by Paramount Pictures. And the 77 finalists — including a 20-year-old blonde Miss England, Bella Donlan — are all staying on one floor of the same hotel.

The girls are being guarded day and night by 38 chaperones, all daunting matrons hired by the local TV station and commanded by a definitely not-to-be-trifled-with woman called Irma Vargas.

But security problems persist. Nearly 50,000 ecstatic Peruvians had to be held back by riot police on Sunday when the beauty queens went to a civic reception in Lima's town hall. The girls sipped Coca Cola and munched cucumber sandwiches inside the hall while water-cannon wagons waited in nearby back streets just in case things got out of hand.

Not surprisingly, the chaperones have become a little nervous and relations with the local Press are said to be frayed. So much so that one of Peru's leading newspapers suggested it should look after the girls and the chaperones despatched to London to look after the Queen.

**Observer**

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Many people simply aren't aware of the many pitfalls to avoid when choosing a VDU or printer. True terminal compatibility with an existing computer system is rarely achieved. Unless the order is large, most major manufacturers simply won't touch individual customisation. And with mail order terminal shops, the least said about their service the better. For peace of mind, you expect the professional back-up of a nationwide service department; how many companies can offer that? Most importantly, you need to select from the widest possible range of leading terminal names - Diablo, Fujitsu, Digital Equipment, General Electric, Rutishauser.

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BRITISH MERCHANT FLEET

# Hopes of a Falklands boost

By Andrew Fisher, Shipping Correspondent

BRITISH SHIPOWNERS, who have watched the UK merchant fleet shrink by over 40 per cent during the past six years, are hoping that the Falklands campaign will prove a turning point in the fortunes of the industry.

The involvement of 50 merchant ships, including the liners Canberra and QE2, in the task force sent to recapture the islands has focused public attention on the fleet more effectively than several years of argument by the industry.

Shipowners hope that the Government will now heed their repeated calls in recent years for special investment allowances to stimulate spending on new vessels.

Up to now, the Conservative administration, with its emphasis on the free play of market forces, has set its face firmly against any form of special assistance to shipowners.

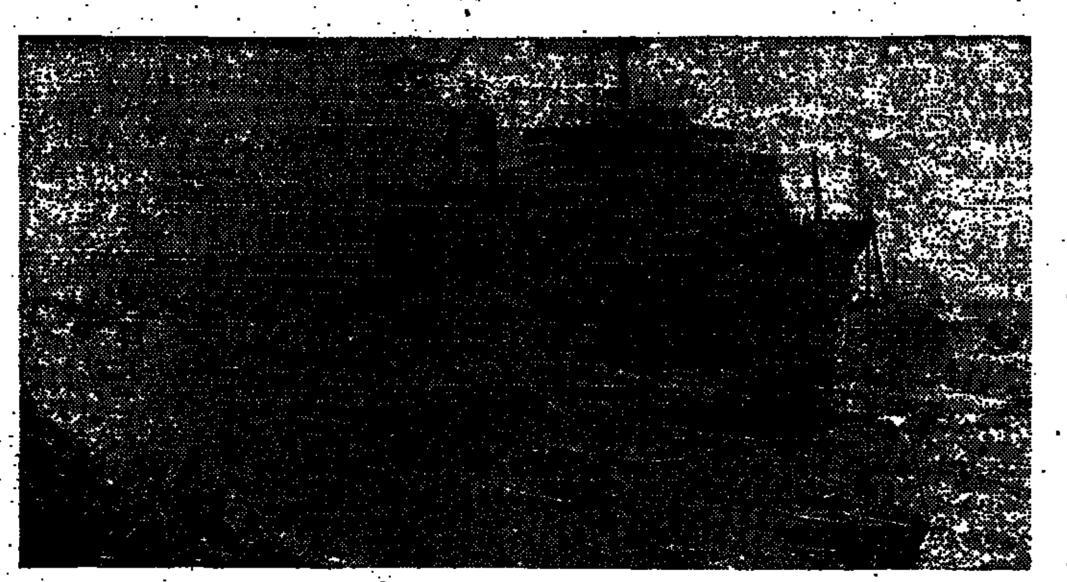
But in the wake of the Falklands crisis the Departments of Trade and Defence intend to look at the situation again. It seems, however, that this will be done largely from a defence viewpoint and the industry is not particularly confident of getting financial assistance.

Nevertheless, there have been some sympathetic noises from Westminster. "The merchant navy supplied what was required in the Falklands," said Mr Iain Sproat, the Shipping Minister. "The Falklands has sharpened up everybody's thinking—we're not talking hypotheses, we're talking history."

## Britain's shipping statistics tell a bleak story

UK shipping statistics tell a bleak story. The fleet is now slightly smaller than in 1970, while the world fleet has more than doubled since then to 683m deadweight tons. UK tonnage is now just over 29m dwt—4.3 per cent of the world total. In 1975, when UK tonnage peaked at 50m dwt, that represented 9 per cent of the world total.

The General Council of British Shipping (GCBS) is worried that too few new ships are being bought to maintain the fleet at even its present level. UK shipping companies last year signed contracts for only 25 ships totalling 463,000 dwt, against 40 of 1.14m dwt in 1980.



The Canberra returns to Southampton from the Falklands conflict

Why the decline? To some extent the UK industry is part of a world problem. The shipping industry generally is having to struggle to make money at a time of economic stagnation, low freight rates, sluggish oil markets, and a surplus of cargo ships ordered in better times.

"Today," observes Mr Nicholas Barber, a director of Ocean Transport and Trading, "you won't find a cheerful shipowner in any part of this country or the world."

But the gloom in the industry is relative: the higher-cost northern European fleets have had a harder time keeping afloat than those of the Far East. Even the Greeks, rarely tied to single trades or customers, have been suffering.

"It is very difficult to see opportunities where you can reasonably expect to get consistent and adequate returns from shipping," says Mr Richard Adams, chief executive of Peninsular and Oriental Steam Navigation. "There have been too many people prepared to launch too many ships without a promise of any definite return."

Global shipping problems apart, there are other reasons for the decline in the British tonnage. One factor has been the switch to container shipping, in which the UK is a world leader, with about 10 per cent of the international fleet. One modern container ship of about 35,000 dwt, with 2,000 containers on board, can carry as much cargo as six conventional vessels of 14,000 dwt.

Another factor has been the world oil glut. Tankers account for a high proportion of UK tonnage—over 60 per cent currently—and the weeding out of these vessels (at a time when the world surplus is estimated at over 100m dwt) accounts for a substantial proportion of the fleet's decline.

But this weeding out of uneconomic vessels has a positive side. "What's wrong with a fleet of 25m tons if the earning capacity is better—or even one of 20m?" asks Ocean's Mr Barber.

Much of the industry sees UK labour costs as a crucial reason for the decline. Sailors' pay in other northern European countries and Japan, where inflation has been less virulent, has gone up more slowly than in Britain. The GCBS points out that UK wages rose by 75 per cent in the five years to 1981 against 25 per cent in Japan, 27 per cent in Holland, and 38 per cent in West Germany. (This excludes the 8 per cent pay settlement reached in Britain last November.)

These relatively high pay settlements have not been offset by productivity improvements through manning cuts to the extent that some European countries—particularly Norway—have achieved.

"It is clear that unless we do improve the cost effectiveness of manning, we are going to fall further and further behind," says Mr John Whitworth, a deputy director-general of the GCBS.

The industry estimates it costs £1,000 more a day to run a medium-sized bulk carrier or tanker under the UK flag than it does under a cheaper Far Eastern flag.

The GCBS reckons that UK companies have lagged behind some of their European and Japanese competitors in developing partly-automated ships which would enable crews of 18 instead of 23 people to be used on standard cargo carriers. Such savings could cut expenses sharply since manning costs generally represent about 50 per cent of a vessel's running expenses.

The GCBS argues that a Government fiscal stimulus to the industry would allow companies to invest in these more automated ships and thus cut labour costs.

What irks the UK industry is that countries such as France, Japan and Germany have offered considerable help to their shipowners to buy new vessels. France's socialist government is promoting the growth of its merchant fleet through subsidies. Japan has been running a cheap interest rate scheme, although this has just been phased out. Sweden is planning to give shipowners tax refunds.

The GCBS wants the Government to allow owners to set an extra 40 per cent of investment costs against tax in one or more years—on top of the normal 100 per cent tax write-off for investment which companies can generally claim. It would like the allowance to last three years, which it estimates would cost the Government around £200m.

While British Shipbuilders, the nationalised group striving to return to the black, would stand to gain, the council does not want allowances tied to a requirement that orders be placed in the UK.

The industry enjoyed the 40 per cent allowance until this was superseded by the far more generous system of investment grants brought in by the Labour Government in 1966. The grants covered 20 per cent of any investment and for a time the level rose to 25 per cent.

## Other countries help owners to buy new vessels

The grants propelled a strong growth of the UK fleet, helping shipowners move rapidly into high technology and container vessels. In 1966 investment by the industry was £99m. Four years later it had soared to £364m and topped £600m in 1973.

But the Heath Government stopped the grants in 1970 — and did not bring back the tax allowances.

The industry's new round of lobbying may come to nothing, but the Falklands crisis has made the issue a live one.

Social Security

# Pensioners: the pressure on the safety net

By David Marsh

THE REAL budget skirmishes of the 1980s are now clearly not about MX missiles or the cost of the "Fortress Falklands" but about pensions and unemployment pay. And the battles look set to get bigger.

In nearly every major industrialised country, the financing of social security schemes is at the heart of political and economic conflict—which can also spill over into the streets.

**PROPORTION OF OVER-65s IN TOTAL POPULATION**

| | W. Germany | Japan | UK | U.S. |
|---|---|---|---|---|
| 1950 | 9.4 | 4.9 | 10.7 | 8.1 |
| 1980 | 14.9 | 8.6 | 14.1 | 11.3 |
| 2000 | 14.6 | 13.2 | 12.8 | 12.7 |
| 2025 | 18.1 | 16.9 | 15.8 | 18.2 |
| 2050 | 17.9 | 17.6 | 16.9 | 18.5 |

Sources: UN, World Bank

The burden comes not just from the restive unemployed but from the sometimes resigned old. Demographic trends, improved medical care and early retirement schemes herald a dramatic rise in coming years in the proportion of pensioners in total population. It is often overlooked, for instance, that in Britain for every £1 that the Government spends on jobless benefit, £3 goes on aid for the elderly. According to official calculations, the proportion will shift further to 1:3.5 in two years' time.

As the Bank for International Settlements in its annual report observes from the cosy fastness of Basle, governments should have taken more heed of the underlying slowdown of economic growth during the 1970s. It is true that social programmes built up in the days of economic plenty have been left stranded now that the tide of government revenues has gone out.

But what is needed is plainly more than hindsight. After all, social security is there to protect when the going gets rough. The net can hardly be pulled away just as the trapeze wire starts to break. The problem is that policy-makers are left with a series of baffling dilemmas.

● Public welfare spending accounts for about one quarter of gross domestic product, on average, in OECD countries. Government borrowing to finance social programmes helps drive up interest rates; which contributes to putting more people out of work and makes the overall balance between contributors and recipients even more unfavourable.

That is the story in the U.S. at the moment. The retirement fund could run out of money next year but the Reagan Administration's plans for even bigger cuts in social spending have come unstuck. This, together with the defence build-up and the tax cuts, leaves the budget deficit adrift at over $100bn. and the world facing yet another surge of higher dollar interest rates.

● The other main means of plugging social security deficits—raising contributions from employers and/or employees—has the depressive effect of a tax increase. It thus sets up

**The net can hardly be pulled away just as the trapeze wire starts to break. The problem is that policy-makers are left with a series of baffling dilemmas.**

another vicious economic circle, as both Britain and France, among others, have discovered during the past year.

● Attempts to ease the jobs market—such as the early retirement programmes announced in France and toyed with in Britain and West Germany—also have a counter-effective budgetary impact by adding to pensions financing strains.

● Cuts in welfare spending allied with near-hopeless jobs prospects (for instance in run-down inner-city areas in both the U.S. and Britain) can easily be a factor spurring crime—another social and economic cost.

● Social measures designed to improve the quality of life—for instance child-care facilities to enable mothers to go to work—can end up increasing pressures on the employment market at a time of low growth.

Underlying the whole problem, demographic prospects are disconcerting. According to the OECD, over-65s will make up 11.8 per cent of the inhabitants of the 24-nation area in 1990, against 11.3 per cent in 1980. At the same time, the proportion of under-15s is expected to decline—to 22.8 per cent from 23.5 per cent—because of the expected lower birth rate; so the overall proportion of the population of working age will rise slightly.

Looking further ahead—which is where the real difficulties may come—the World Bank estimates that by AD 2025 roughly one in six in the big industrial countries will be over 65.

The economic breakthrough to produce both growth and jobs (not necessarily the same thing) to support creaking social security structures may come from government-inspired technology drives a la France, or private enterprise-inspired investment along Thatcher/Reagan lines.

If these efforts do not succeed, the future looks bleak. The demographic outlook is for the worst of both worlds. The overall rise in the proportion of the population of working age could exacerbate the problem of jobs shortage; and the expected increase in the ratio of pensioners is reassuring only if you want to grow old in company, not if you wish to do so in comfort.

# Letters to the Editor

## Actors in the money markets manipulation

*From Mr Roger Bootle*

Sir,—In discussing the recent cut in bank base rates, Wednesday's Lex column commented that the authorities have been "manipulating" rates downwards and that "a fall in base and deposit rates is not really justified yet by the supply and demand for funds in the banking system." Doubtless this latter point has some validity with reference to the relative position of banks and building societies, or even to the level of money market rates, but Lex seemed to be going further. His article appeared to suggest that the reductions in interest rates in general have been in some sense artificial, with the possible implication that they will be short-lived. It would be unfortunate if this misleading impression went unchecked.

Of course rates have fallen due to the actions of the Bank of England, but to refer to this as "manipulation" is to misunderstand the crucial role that the bank plays in the money markets. Through its daily operations in relieving shortages and absorbing surpluses, the bank is bound to express an official view on interest rates, and since it is the only actor in the money markets who can alter the net supply of funds for the system as a whole, these official intervention rates are the pivotal rates for the whole interest rate structure. Moreover, the market knows this. That is why money market rates tend to respond to signals about the authorities' intentions. In other words, the bank, and therefore ultimately the Government, has a whip hand in the determination of short rates (although they are naturally subject to the constraint of the effects, for example, on the exchange rate, which might follow from their actions). When rates fall without "manipulation," therefore, they do so with the (at least) tacit approval (albeit sometimes with regrets) of the authorities.

The idea that there is something artificial about this last fall because rates were "manipulated" is absurd. In that case they were "manipulated" upwards when the Chancellor announced an increase in MLR from 12 per cent to 14 per cent in his first Budget, "manipulated" up again when he raised MLR in November, 1979, to 17 per cent, "manipulated" down again in stages to 12 per cent, "manipulated" up yet again to 16 per cent last September, and steadily "manipulated" down again ever since. It seems that major changes in interest rates through "manipulation" are the only major changes we know.

The abolition of MLR last August may give the impression that the role of the authorities in determining interest rates is reduced, but this is true only superficially. Rates are now supposedly determined by the money markets, but they cannot do this without reference to the official view on interest rates, as expressed in the Bank of England intervention rates.

The idea that the strength of loan demand indicates the artificiality of the recent cut in rates is equally misleading. Of course, the strength of loan demand may threaten the monetary targets and thereby precipitate a policy decision to increase rates, but this would hardly be justified at the moment. Over recent months the growth of bank lending, although still high, has abated, and the various measures of the money supply have been well within (and in one case below) the target range. Nor is it true that the growth of lending threatens an unwelcome explosion of spending. Indeed, it is salutory to consider where the economy might be without buoyant bank lending.

But the implication of Lex's point seemed to be that loan demand of itself could justify higher rates, in the same way that strength of demand for a stock drives up its price. The problem here is that the supply of loans is linked to the supply of deposits, and the supply of deposits is linked to the demand for loans. Without action by the authorities deliberately to withdraw or restrict the supply of funds to the system, there will always be deposits in the system as a whole to meet total loan demand because the very act of lending creates those funds.

The recent cut in interest rates was indeed policy-inspired, but that in no way makes it artificial, nor need it be short-lived, if in the light of domestic recessionary conditions (and world conditions) the authorities see a policy of lower interest rates as a strategic priority.

Roger Bootle,
Economist.
Capel-Cure Myers,
*Bath House,*
*Holborn Viaduct, EC1.*

## Which is the real world?

*From Mr P. R. Pennington-Legh*

Sir,—When Mr Grenside, a former President of the Institute of Chartered Accountants, urges (July 7) the members of the ICAEW to vote in favour of the SSAP 16 experiment he enlists the help of Bank of England statistics and invokes the haunting spectre of "real profitability" as proof that Historical Cost Accounting is a bad thing. These are the stratagems of the economist not the accountant.

Surely those in practice cannot be so arrogant as to believe that their colleagues (not to mention managers) in industry and commerce neither take inflation into account when preparing forecasts and budgets nor appreciate what real return is needed and achieved. Moreover, the argument that HC financial reporting is a "self-delusion" is somewhat monastic as is the belief that the (larger) enterprises which are to be obliged to prepare CCA reports will by the simple expedient of so doing rid themselves of the "unreality" of their predicament.

Yes! — By all means encourage comparable and consistent inflation adjusted reporting —at both statutory and management accounting levels but why make such good commercial practice mandatory (and not other management techniques!), and why require the annual audit of a statement more useful to the statistician than the businessman?

P. R. Pennington-Legh.
*51, Kings Road, Windsor.*

## Investment appraisal

*From the President, British Transport Officers' Guild*

Sir,—Your report in the Financial Times July 2, on the Treasury Booklet on Investment Appraisal in the Public Sector links neatly with your article "Poor financial analysis blamed for weak U.S. investment" of May 24 which agreed that there was a tendency to put too much faith in the misleading objectivity of discounted cash flow techniques.

There is little doubt that these techniques can and are being used for many important issues as managerial crutches. The reliance on these coupled with the continuing high rate of inflation does make it extremely difficult for any substantial investment project which has a long lead time to obtain approval and most schemes of this nature are subject to considerable delay during which time the impact of inflation makes the figures involved even more overwhelming, and the decision more difficult. Nobody denies that there is a need to ensure that money is invested wisely, but slavish adherence to these techniques is not the answer. The future cannot be predicted with any certainty so there is an element of faith in all investment decisions, perhaps, therefore, more attention should be given to a "must have" factor so that managers' minds are directed to the fundamental reason for investment.

M. H. Williams.
*Room 307,*
*West Side Offices,*
*Kings Cross Station, N1.*

## Civil Service pay awards

*From the Secretary, Council of Civil Service Unions*

Sir, — One point needs bringing out sharply from Philip Bassett's excellent piece in the Lombard column ("Civil Service pay—the facts" July 15). The research studies done for the Megaw Inquiry, which he cited, both pointed to a decline in Civil Service earnings relative to those outside during 1981, although this did not lead them to amend their conclusion of broad comparability because of deficiencies in the data. We now have the results of the 1982 arbitration award on Civil Service pay to add to this information, however — an average increase of 5.9 per cent. When this is compared with a DE Earnings Index increase of 10 per cent in April 1982 over 1981, it is clear that civil servants have again fallen heavily behind the market for the second year running.

Any future pay negotiations for the Civil Service will need to take this fact fully into account. As the Government will surely learn, "market forces" can work both ways.

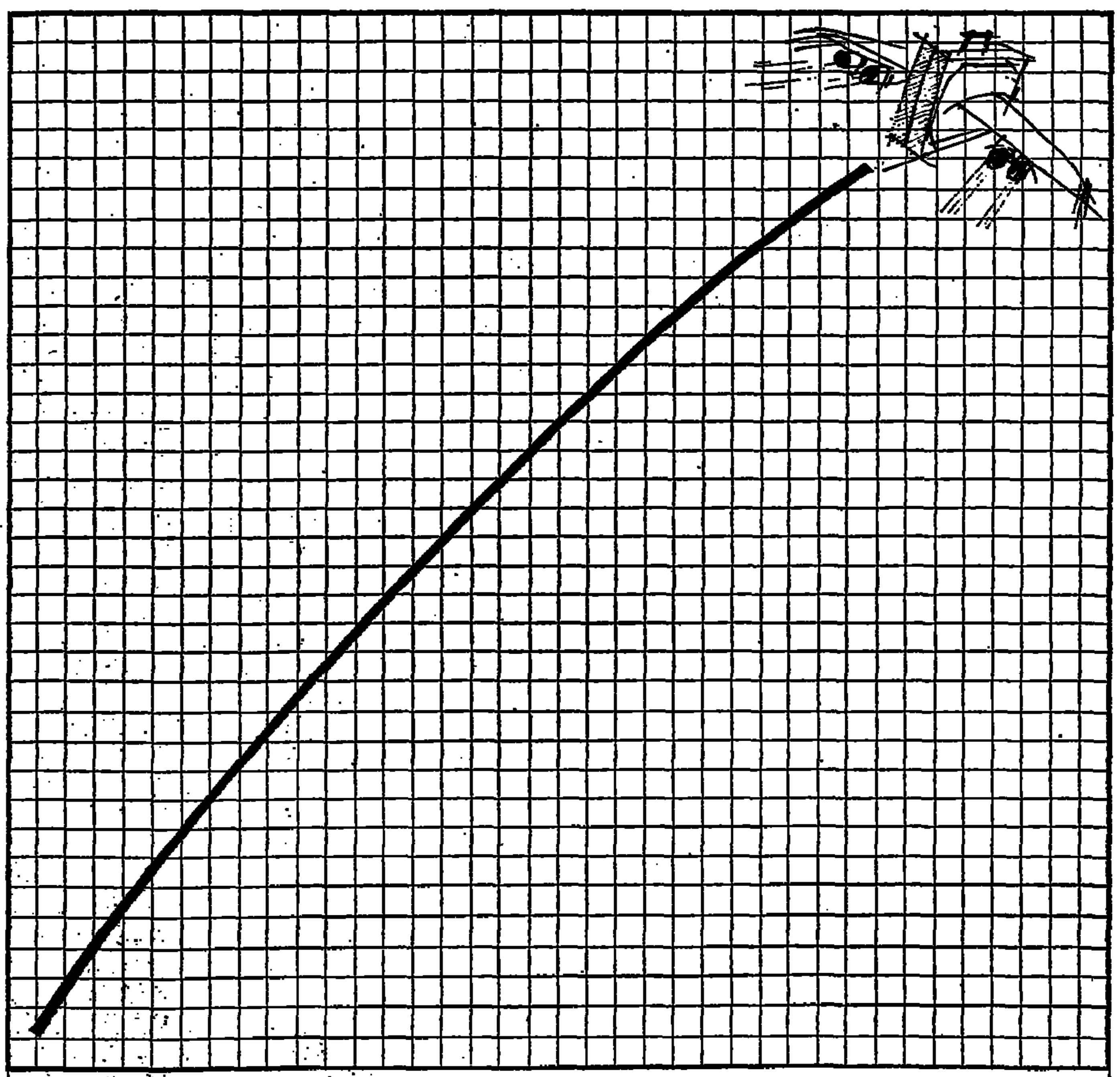
P. D. Jones.
*19, Rochester Row, SW1.*

## The Falklands factor

*From Mr M. K. Ashford*

Sir, — Congratulations to Nigel Andrews (Cinema, July 16) on being the first to use the word "yomp" on the Arts page. Are we to be told by Mr Crisp that Makarova flew Exocet-like across the stage? Is nowhere safe from the depradations of Falklands Effect?

M. K. Ashford.
*103, Chetwynd Road, NW5.*



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# UK COMPANY NEWS

## Siebe Gorman up 15% to £4m

AN IMPROVEMENT of 15 per cent in pre-tax profits from £3.51m to £4.04m is shown by Siebe Gorman Holdings for the year ending April 3, 1982. The final dividend has been increased from 4.75p net per 25p share to 5.23p making a total of 7.74p compared with 7.26p.

Second-half profits rose from £1.85m to £2.32m.

The company says the results were achieved despite difficult trading conditions worldwide. The group's UK and international operations showed solid progress, despite these difficulties.

Turnover for the company, which manufactures protective equipment, industrial workwear and leisurewear, rose from £43.6m to £53.24m.

Associate profits fell slightly from £751,000 to £731,000 and trading profits of group companies rose from £2.76m to £3.31m.

Attributable profits increased from £1.49m to £2.17m after net extraordinary debits of £295,000 (£600,000).

After tax at £1.57m (£1.42m) stated earnings per share rose from 20.2p to 23.8p.

### ● comment

Siebe Gorman has been forced to work quite hard in the last couple of years just to compensate for the slowdown which has afflicted its industrial workwear businesses in the UK. In the year to March 1980 these companies furnished almost two-thirds of group trading profits; this time—after a second year of decline—the contribution was roughly 35 per cent of a smaller total. The position has been to some extent retrieved by eliminating losses in leisurewear, helping the textile division to reach peak profitability, and by substantial degearing, saving £½m of net interest. The acquisition of Rieth during the second half came too late to affect the result materially, but Siebe Gorman is pleased with its West German acquisition, and is looking for a significant contribution in the current year. There is apparently not much short-term improvement to be expected from the activity-sensitive industrial supply side, but engineering should do better this year, and the company is also looking for higher profits in safety footwear. Up 8p to 190p, the shares yield a notch under 8 per cent, covered three times by historic earnings and giving little away.

### SKETCHLEY

The shareholders of Rentex approved the agreement and plan of merger with Sketchley on July 16. Rentex is now a wholly owned subsidiary of Sketchley.

## Initial expands by 16.3% to £22.9m

WITH second half pre-tax profits coming through ahead from £10.78m to £11.91m, Initial, formerly Initial Services, the towels, coats, garments hire and replacement concern, finished the year to March 31 1982 at £22.92m, compared with £19.71m, a rise of 16.3 per cent.

This was achieved on a 12 month turnover figure up by 14.3 per cent from £145.33m to £166.14m.

At halfway profits had increased to £11.01m (£8.93m) on turnover of £79.63m, against £71.81m.

The dividend is stepped up to 10.75p (9p) with a final payment of 7.5p net.

Results for the year exclude any figures from Consolidated Laundries, of the U.S., or Union de Lavenderias Industriales SA, of Spain.

The American company, formerly part of Sears Industries, a subsidiary of Sears Holdings, was acquired at the end of 1981 for $22m, and provides linen supply, industrial uniforms and hospital services.

Last November, Initial agreed to acquire 40 per cent of the Spanish company for £440,000 cash. The company has an option, exercisable over the next three years, to acquire a further 20 per cent of this textile rental concern.

Finance costs for the 1981/82 year were much lower at £130,000, compared with £857,000 and non-trading income was higher at £373,000, against £295,000.

Tax was slightly down on the previous year at £7.32m (£7.47m) and was split as to UK £6.25m (£6.63m) and overseas £1.07m (£840,000).

After minorities of £414,000 (£366,000) and a decreased extraordinary debit amounting to £218,000 (£731,000), the available balance came through 34.4 per cent ahead at £14.97m, compared with £11.14m.

After appropriations totalling £5.74m, against £4.8m, there was a retained profit of £9.23m (£6.34m).

Goodwill amounting to £1.31m has been written off through reserves and not treated as an extraordinary item. Comparative figures have been adjusted accordingly.

Stated earnings per 25p share are given at 28.6p (22.4p) which are reduced to 19.2p (13.6p) on a current cost basis. Pre-tax profits are shown as £17.8m (£15m) on the same basis.

The directors say that with the recession still affecting the UK businesses, emphasis for the current year will be on overseas operations and new products.

They explain that overall, UK profits produced only a small improvement while the European operations fared better. Australian interests also produced higher profits.

Although there was no contribution from the U.S. acquisition, the group carried some £355,000 of funding costs on the takeover during the second half of the year, it is pointed out.

### ● comment

Initial's results were in line with expectations, though £0.35m of funding costs relating to two months of the U.S. acquisition have been incurred without any profits contribution. However acquisitions and volume growth overseas hide the impact of the recession on the UK business where only a small advance was achieved. The cost of reducing administrative staff in the UK is treated as an extraordinary item, partly offset by a gain on the sale of a business. Further surgery may be necessary in the current year if demand does not show an upturn. Despite the purchases in the U.S. and Spain the balance sheet remains strong. Gearing is up from a nominal 4 per cent to approaching 17 per cent, but the group has ample cash and borrowing facilities available for more acquisitions, probably with an eye to expanding its new foothold in North America. The group's venture into films, which has been purely because of the tax advantages, has chalked up two successes but the third, and latest, release "Partners," appears to have flopped. With the home market for its traditional business remaining depressed the group must look overseas and at new developments for growth this year. Yesterday the shares rose 8p to 253p, yielding 6.3 per cent and giving a fully taxed historic p/e of over 12.

## Vinten advances to £2.4m despite difficult conditions

AGAINST A very difficult trading background, Vinten Group has increased pre-tax profits from £2.02m to £2.42m for the year ended March 31 1982 with second-half figures marginally ahead at £1.56m, against £1.54m last time. Turnover for the 12 months rose by £3.53m to £12.7m—exports represented 63 per cent, against 70 per cent of turnover.

Mr Michael Brown, the chairman, says the results are most satisfactory and the board's expectations at the interim stage have been well matched by performance. The group designs, makes and markets television camera mounting equipment, aerial reconnaissance systems and ground support equipment and measuring and monitoring equipment for health and environmental purposes.

On capital increased by the one-for-one scrip issue, the year's dividend is effectively being lifted from 1.75p to 2.1p net per share with a final of 1.4p (adjusted 1.25p).

Trading profits for the period advanced from £1.91m to £2.25m, before interest income of £170,057 (£111,277). Tax took £837,393 (£795,443) and earnings per 20p share showed an increase from 7.4p to 9.5p. Cost of dividends went up from £289,857 to £370,929.

The prospects for the current year of the two main subsidiaries, W. Vinten and Exotic Materials, Inc, are encouraging, the chairman states. Margins on some of the military business of both companies are narrow and development costs are high, but, having good order books, the board expectes to utilise production capacity fully.

Following its acquisition of Exotic Materials, Inc, the group has become a significant force in electro-optics and it has secured a base in the U.S. from which it intends to expand.

A sound financial base, established by strong operational performance in recent years, has enabled the group to launch the more aggressive investment policy now being pursued, Mr Brown states. Its strategy is to concentrate on areas of high technology where added value can be maximised from the sale of total systems into growth markets.

Group product development expenditure continues at a high level and many new products are at an advanced stage of development.

"The challenges faced are considerable and problems remain—uncertainty in the Middle East and adverse trading conditions affecting Vinten Instruments—but, with our expertise, determination and excellent reputation worldwide, we can look to the future with confidence, Mr Brown says.

The group's television camera mounting equipment has continued to enjoy steady growth in worldwide demand which, as well as providing a valuable contribution to profits, has enabled the manufacturing facility at Bury St. Edmunds to be utilised economically.

The U.S. continues to be the group's largest market and, since the year-end, terms have been agreed for the acquisition of its competitor, Television Products Company, based in Los Angeles.

Export order intake continues at a high level and the signs for the current year's television businesses are again good.

The high value of military business in the group's order book has enabled it to make substantially greater sales

There has been a high level of international interest in the group's military systems. As well as the £2.4m order from Finland which was completed this year, orders for reconnaissance systems have been received from the Middle East, Canada and Africa.

### ● comment

Vinten's shares have had a very good run in recent months, the more so after some 1.65m of them were placed to finance the acquisition of Exotic Materials at the beginning of April. Yesterday there was a slight reverse; 10p dropped off the price after second-half figures showed only a very marginal advance over those for 1980-81. All the same, at 286p Vinten is orbiting on a fully-taxed multiple of about 40, and the yield is only just perceptibly over 1 per cent. For that sort of rating to hold up, exceptional growth is necessary. The military order book is the best—because smoothest—indicator of Vinten's likely advance on the investment horizon; an exercise in lightweight reconnaissance shows a figure of £11m, more than twice the comparable figure for the previous year. Combined with some real growth in Vinten's other major business—television equipment—that suggests that the price has not completely lost touch with ground control. But a high running level of development expenditure and some margin erosion are causing the group to take a mildly cautious view of prospects.

## C H Industrials downturn to £41,000

INCLUDING A loss of £201,000 from discontinued operations, taxable profits of CH Industrials, automotive trim, building products manufacturer, dropped to £41,000 for the year ended April 3 1982. After an exceptional debit last time of £193,000 the pre-tax figure was £701,000.

Turnover was also down, at £13.42m, compared with a previous £14.78m and the dividend is cut from 2.42p to 1.4p net per 10p share with a final distribution of 0.4925p. The directors expect, however, to pay not less than 1.7p for the current year.

In line indications given at the interim stage, the directors say that results for the full year were poor, although the building products division continued to grow and showed record turnover and profits.

External rentals in the property sector totalled £266,000, against £218,000, and profits from property development sales contributed £130,000.

The directors explain that the severe reduction in turnover from the cessation of sports car soft top production resulted in losses from the group's automotive interests.

Rationalisation of these activities around the newly-acquired sunroof businesses has been completed with manufacturing operations located at the Telford factory.

Despite adverse market conditions, the synthetic foam business maintained its market share, but results remained very depressed because of severe price competition, the directors state.

At halfway, profits had fallen from £135,000 to £16,000 and directors said they believed that although trading results during the second six months would remain depressed, actions taken should ensure a return to substantial profits in 1982-83. They added that the group's financial position remained strong and they continued to engage in acquisition plans.

Reflecting the changing emphasis of group interests, with the building products side now accounting for over half group turnover, the structure of CH is being reorganised into three companies which will be formed to encompass building chemical products, property development and investment, and general industrial interests.

Operating profits from continuing operations amounted to £242,000 for the 12 months, but these were offset by the loss from discontinued operations, which represented the costs—now eliminated—prior to the transfer of the automotive manufacturing division from Coventry to Telford.

Net profits emerged at £206,000, compared with £584,000, after a tax credit of £167,000 (£117,000 charge) and there was a minority credit of £4,000 (nil).

The attributable balance came through at £123,000, against £315,000 after an extraordinary debit of £89,000 (£269,000), which represented closure costs of the Coventry factory.

The directors point out that the attributable profit to CH from the newly-formed Aston Martin Tickford was £15,000 which was offset by a loss of the same amount from Aston Martin Lagonda.

### ● comment

C. H. Industrials claims to have reached a nadir in its fortunes and is now intent on restoring them. Loss-elimination will put £250,000 into pre-tax profits straight away while growth in building products and rental income are expected to boost that total further. The company does not intend to move into property development long-term; it hopes to sell the properties when the time is right and take in the rental income in the meantime. Borrowings have increased to support this activity, however, and now at some £3.5m, they have pushed capital gearing to nearly 60 per cent. Provided C.H.'s other sectors begin to perk up, this should not yet be a headache. The shares, unchanged at 19p, have a prospective yield of 13 per cent which shows that C.H. has a long road ahead of it. Market capitalisation is £2.3m.

## Receiver for Ward Bros.

Receivers have been appointed to builders' merchants Ward Brothers (Wolverhampton) after losses of about £2m in 1981 and a continued deficit in the early months of 1982.

Ward's affairs are now in the hands of Mr Philip Baldwin and Mr David Terry of the Midlands practice of Price Waterhouse. Mr Baldwin said trading was continuing and it is hoped to sell the business as a going concern.

"I have had tentative approaches from people who have expressed an interest but I am not ready yet," he said yesterday. "I expect to hold talks with these people next week."

Ward is a private company specialising in distributing bathroom and building equipment and kitchen and general plumbing materials to builders merchants, local authorities, contractors and retailers.

Ward was unable to reverse a pattern of declining sales—19 per cent lower at £14.7m last year—and high fixed costs, despite a slimming-down exercise which reduced personnel levels to 140.

It operated at the luxury end of the market for kitchens and bathrooms which has been particularly badly hit by the recession, said Mr Baldwin.

The receivers have established that Ward had bank liabilities of £2.7m while its most important asset is its "substantial" freehold premises.

In 1980, Ward made a pre-tax loss of £1.2m on turnover of £18.2m. It had net current liabilities of £302,703 on December 31 1980.

## H. Goldman shares suspended

Trading in H. Goldman shares was temporarily suspended yesterday pending clarification of the company's position. The share price stood at 19p.

Goldman has made a loss on its hardware, clock and watch distribution business for both 1979 and 1980. No figures have yet been produced for the year ending October 31 1981.

Losses before tax for 1979-80 were £140,702 on turnover of £2.74m.

## Fairdale recovers in second half

Second-half pre-tax profits of Fairdale Textiles, wholesale manufacturing clothier and cloth merchant, advanced from £136,814 to £154,886, but the figure for the full year ended January 30 1982 was behind at £96,000, compared with a previous £202,000.

Turnover for the 12 months rose slightly from £7.03m to £7.27m and although the interim dividend was omitted, the final is maintained at 1.2p net per 5p share—last year's total was 1.5p.

Pre-tax profit is made up of profit from continuing operations amounting to £203,000 (£236,000), and a loss of £62,000 (£17,000) from manufacturing operations, which are to be discontinued.

Interest charges were higher at £39,000, compared with £17,000, and there was an exceptional debit of £6,000 (nil).

Tax took £16,000, against £2,000, and there was an extraordinary debit for the period of £81,000 (£74,000). Earnings per share are shown as 1.3p (3.3p).

### LOOKERS/BRAID

Bolling Investment acquired on July 16 25,000 Braid shares (approximately 0.4 per cent) at 58p. Prior to this Lookers held 2.215m ordinary. As a result of this acquisition, the Lookers Group now holds 2.24m ordinary (approximately 37.3 per cent of Braid's ordinary capital).

By 3.00 pm on July 15 acceptances adjusted to exclude withdrawals, had been received in respect of 229,937 Braid shares (3.8 per cent of the shares offered for).

With the shares held by Lookers, the group now owns, or has received acceptances in respect of 2,469,937 ordinary (approximately 41.1 per cent of capital).

## Alexanders Discount interim rise

The interim dividend of Alexanders Discount, discount house concern, is increased from 5.5p to 6.5p net per £1 share, for the half year ended June 30 1982 and profits for the period were higher than the corresponding six months in 1981.

The directors say the interim distribution was lifted in recognition of this advance, and to reduce disparity with the final. They add that the total payment for the current year will depend on current progress being maintained throughout the second six months.

Last year the total dividend was 18.5p which was paid from profits of £1.75m, compared with £1.25m, after rebate, tax, and a transfer to contingency reserves.

### FIH ACQUIRES MORPLAN

Ferguson Industrial Holdings (FIH) has acquired Morrish & Company, a privately-owned concern, trading as "Morplan," for £1.35m cash.

Morplan supplies the garment trade with accessories including labels, tickets and hangers

In the year ended December 1981 Morplan sales were £1.9m and the profit before tax £300,000. Net asset book value is £1.1m.

### THOMSON SCOTTISH

Thomson Scottish Forestry, a subsidiary of International Thomson Organisation, and Glenmoriston Estates have formed a woodland partnership.

Thomson Scottish Forestry will management and development of assume responsibility for the 833 acres of established woodlands forming part of the Glenmoriston Estate, and in return will be entitled to an interest in the proceeds from future timber sales.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Alexanders Disc. ...int | 6.5 | Sept. 3 | 5.5 | — | 18.5 |
| C. H. Industrials ......... | 0.49 | Sept. 9 | 1.51 | 1.4 | 2.42 |
| Control Securities ...... | 1.58 | — | 1.31* | 2.76* | 2.1* |
| Crown House ............ | 3 | — | 3 | 5.25 | 5.25 |
| Dewhurst & Partner int | 0.15 | — | Nil | — | 0.15 |
| Fairdale Textiles ......... | 1.2 | Sept. 7 | 1.2 | 1.2 | 1.5 |
| Initial ...................... | — | Oct. 1 | 6.25 | 10.75 | 9 |
| Kinta Kellas ............... | 3.5 | Sept. 3 | 3.5 | 5 | 5 |
| Siebe Gorman Hldgs. ... | 5.23 | — | 4.75 | 7.74 | 7.26 |
| William Sommerville ... | 1 | — | 0.55 | 1.55 | 1.1 |
| Stroud Riley ............... | 1.5 | — | 1* | 2.25 | 1.5* |
| Vinten Group ............ | 1.4 | Oct. 1 | 1.25* | 2.1 | 1.75* |

Dividends shown in pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

## M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

| 1981-82 High | 1981-82 Low | Company | Price | Change | Gross div.(p) | Yield % | P/E Actual | P/E Fully taxed |
|---|---|---|---|---|---|---|---|---|
| 124 | 120 | Ass. Brit. Ind. Ord. ... | 124 | — | 6.4 | 5.2 | 11.3 | 13.9 |
| 134 | 100 | Ass. Brit. Ind. CULS... | 134 | — | 10.0 | 7.5 | — | — |
| 75 | 62 | Airsprung Group ...... | 71 | — | 6.1 | 8.6 | 8.1 | 13.9 |
| 51 | 33 | Armitage & Rhodes...... | 43 | — | 4.3 | 10.0 | 3.6 | 8.1 |
| 228 | 187 | Bardon Hill ............... | 223xd | — | 11.4 | 5.1 | 9.4 | 11.8 |
| 110 | 100 | CCL 11pc Conv. Pref.... | 110 | — | 15.7 | 14.3 | — | — |
| 265 | 240 | Cindico Group ............ | 265 | — | 26.4 | 10.0 | 10.7 | 12.0 |
| 104 | 60 | Deborah Services ...... | 65 | — | 6.0 | 9.2 | 3.2 | 6.7 |
| 135 | 97 | Frank Horsell ............ | 135 | — | 7.9 | 5.9 | 5.7 | 6.1 |
| 83 | 39 | Frederick Parker ........ | 72xd | − 2 | 6.4 | 8.9 | 3.7 | 7.0 |
| 78 | 46 | George Blair ............ | 53 | — | — | — | — | — |
| 102 | 93 | Ind. Precision Castings | 98 | — | 7.3 | 7.4 | 7.1 | 10.7 |
| 110 | 100 | Isis Conv. Pref. ......... | 110 | — | 15.7 | 14.3 | — | — |
| 113 | 84 | Jackson Group ........... | 105 | — | 7.5 | 7.1 | 3.2 | 6.7 |
| 130 | 108 | James Burrough ......... | 125 | — | 9.6 | 7.7 | 9.1 | 10.2 |
| 334 | 227 | Robert Jenkins .......... | 224 | − 3 | 20.0 | 8.9 | 2.4 | 35.6 |
| 81 | 51 | Scruttons "A" ........... | 81 | — | 5.7 | 7.0 | 10.5 | 12.7 |
| 222 | 154 | Torday & Carlisle ....... | 155 | — | 11.4 | 7.4 | 7.0 | 11.9 |
| 44 | 25 | Unilock Holdings ....... | 25 | — | 3.0 | 12.0 | 4.5 | 7.6 |
| 103 | 73 | Walter Alexander ....... | 85 | — | 6.4 | 7.5 | 5.6 | 9.0 |
| 263 | 212 | W. S. Yeates ............. | 246 | + 2 | 14.5 | 5.9 | 6.4 | 12.9 |

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# Crown House 1982.

## From Bond Street to the Bahamas, from Cardiff to Khartoum. You may not see us, but we're there

May not see us?

Air conditioning, plumbing and electrics are carried on very largely unobserved behind the scenes. Installing them kept Crown House busy last year, not only at home, but in several parts of the world.

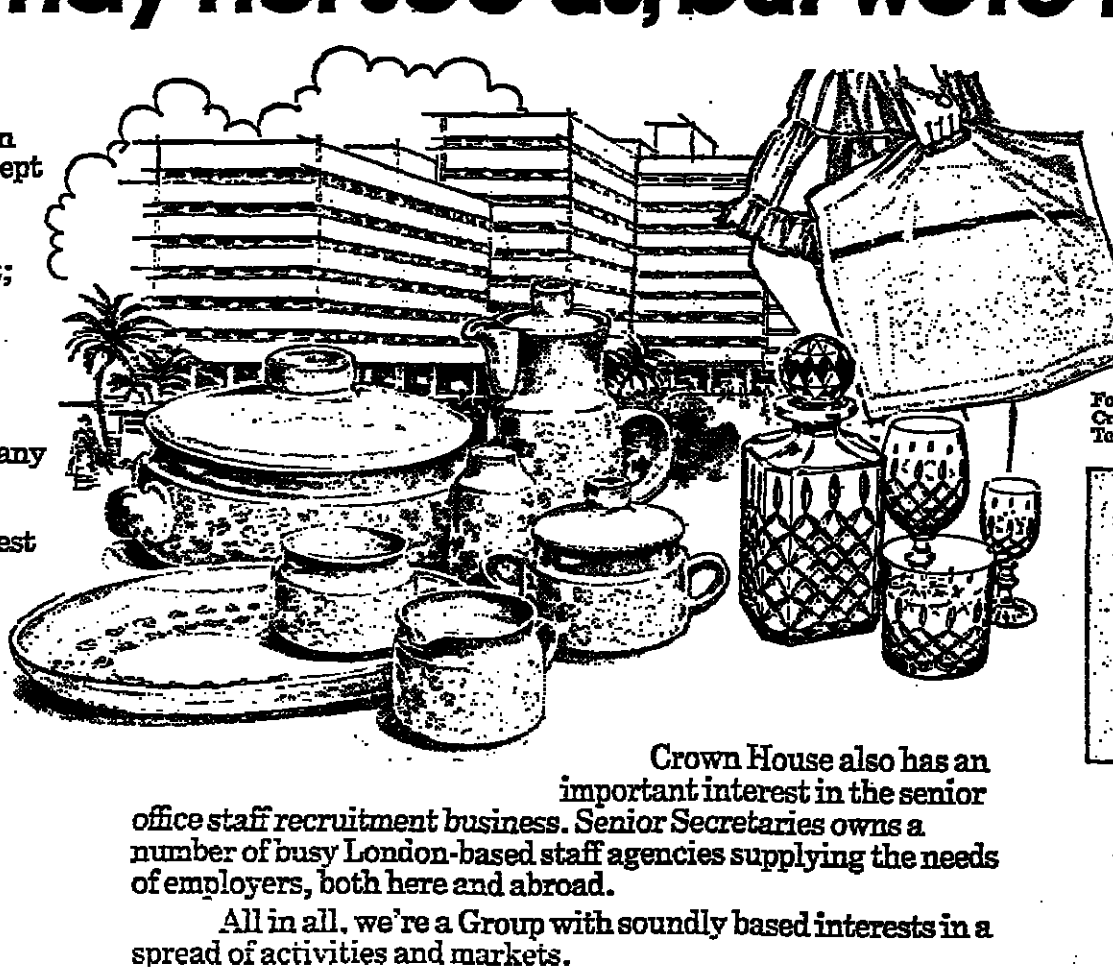
Important contracts included Fenwicks of Bond Street; The Cable Beach Hotel, Nassau; The National Concert Hall, Cardiff; and a major office development in Khartoum.

But mechanical and electrical contracting is by no means the whole story with Crown House.

Denby tableware (following the purchase of that company last year) is now sold alongside our Dema, Thomas Webb and Edinburgh glassware in one hundred and fifty 'shops within shops' in the U.K. This has significantly broadened our interest in the tableware market.

Best and May, wholesale suppliers of industrial electrical equipment, with a turnover of almost £20 million, completed a major reorganisation and now operates from 13 depots in the Midlands and South.

W. J. Furse is the market leader in one of its fields, steeplejacking, and has a significant interest in the lift industry. A third W. J. Furse activity – the merchanting of specialist engineering products – exports 50% of its output, and is building an extension to the stores and offices of its existing premises, mainly to handle exports.



Crown House also has an important interest in the senior office staff recruitment business. Senior Secretaries owns a number of busy London-based staff agencies supplying the needs of employers, both here and abroad.

All in all, we're a Group with soundly based interests in a spread of activities and markets.

"Profit before tax advanced by 29.5% in 1981/82 but distributable profit was affected by a high tax charge due to overseas losses in contract engineering.

The liquidity position remains strong with net cash balances of £2.2 million.

Current trading is patchy, with competition particularly severe in tableware and electrical wholesaling. However, order books in contract engineering are satisfactory with some loss elimination overseas expected."

Patrick Edge-Partington, Chairman, Crown House Public Limited Company.

For a copy of the Annual Report, write or telephone Norman Vigor at Crown House Public Limited Company, 2 Lygon Place, London SW1W 0JT. Telephone: 01-730 9287. Telex 918603.

| RESULTS (£000) | | |
|---|---|---|
| Years ended 31st March | [illegible] | [illegible] |
| TURNOVER | [illegible] | [illegible] |
| PRE-TAX PROFIT | [illegible] | [illegible] |
| ORDINARY DIVIDEND | [illegible] | 1,181 |
| NET ASSETS | 19,644 | 19,310 |
| EARNINGS PER SHARE | [illegible] | 5.8p |

Crown House

You may not see us, but we're there.

# Strond Riley profits up 84%

INCLUDING a £200,000 profit on the sale of shares in Hield Bros, taxable surplus of worsted suitings and knitted fabrics maker Strond Riley Drummond expanded by 84 per cent from £609,000 to £1.12m for the year ended March 31 1982. Turnover rose to £10.48m, against a previous £7.83m, a rise of 34 per cent.

Profits at halfway were up from £237,000 to £528,000 and the directors said the prospects for the rest of the year were encouraging.

Mr R. V. Strond, chairman, says that the company not only stemmed substantial losses at recent acquisition J. Hayward and Sons, "but turned these to a significant profit."

He adds that the other UK companies, now grouped into two divisions, all contributed satisfactorily during the year.

The overseas division, consisting of a subsidiary in Port Elizabeth, South Africa, is progressing well, Mr Strond states. "Our order book in all divisions is at a very satisfactory level and substantially above that of a year ago."

On capital increased by a one-for-one scrip issue, earnings per 25p share are shown at 10.94p, compared with 6.2p, and the dividend is effectively lifted to 2.25p (1.5p adjusted) with a net final payment of 1.5p.

Interest charge was up from £117,000 to £161,000 and tax was more than doubled at £336,000 (£162,000). After an extraordinary debit of £87,000 (£30,000) the available balance came through at £695,000, against £417,000, of which dividends will absorb £168,000 (£115,000).

CCA pre-tax profit is £978,000 (£466,000).

### ● comment

Strond Riley Drummond has produced rather heady results considering the sector in which it is operating. Exports provided most of the turnover gain by doubling to some £4.6m in the year. Elsewhere, rationalisation continues to be the name of the game with the Haywood purchase stripped down and fully integrated into SRD. Return on capital employed is now an admirable 26 per cent against next to nothing just two years ago. The question is whether SRD can keep up the pace. Its patern of picking up new assets cheaply and rationalising them is fine, but the company appears not be overly conservative on depreciation allowances. This perks up pre-tax profits but brings up another question of what happens when old machinery needs to be replaced. The shares, up 3p to 58p yield less than 6 per cent and have a historic rating of 7.5.

### NO PROBE

The proposed acquisition by the Anglia Building Society of the London and South of England Building Society will not be referred to the Monopolies and Mergers Commission.

# Crown House up 22% and further growth seen

PRE-TAX profits of Crown House have risen by 22.5 per cent from £2.09m to £2.56m for the year ended March 31 1982 on turnover of £148.46m, compared with £136.49m. The result was struck after a loss of £157,000 by the Denbyware group from its date of purchase.

The directors forecast that overall, 1982-83 should see a further advance in profit, dependent on market conditions during the remainder of the year.

The final dividend is kept at 3p net making a same-again 5.25p per 25p share for the year. Because of a high tax charge the dividend is only marginally covered, but the directors point out that over the last five years, profits available for distribution have amounted to £14.5m and dividends paid to £5.3m.

In the year 1981-82, improved figures from glassware and engineering contracting in the UK were offset by difficulties in contracting operations in South Africa and Australia, and also the cost of the final period of reorganisation of the electrical wholesaling division.

Turnover and pre-tax profits were split respectively between: electrical and mechanical services £110.2m (£105.98m) and £1.4m (£810,000); tableware (comparatives - glassware only) £35.43m (£25.65m) and £619,000, after deduction of assessed interest on purchase price of Denbyware (£100,000); property development and finance £0.75m (£1.7m) and £373,000 (£906,000); employment services £2.08m (£2.62m) and £165,000 (£301,000); and hotel management (eight months to date of sale) nil (£0.55m) and nil (£31,000 loss).

Satisfactory progress has been made in assimilating Denbyware into the organisation of the tableware division and the distribution companies in the UK have been merged, the directors state. However, current trading conditions for all tableware products are very difficult and competition is intense.

Market conditions are also difficult in electrical wholesaling. Order books in contract engineering are generally satisfactory and better figures are looked for both at home and abroad for 1982-83.

There has been no easing in market conditions for Senior Secretaries, but following the acquisition of International Secretaries improved profits are expected.

The current year will see the sale of one property development and a better result should be shown than that achieved in 1981-82.

The non-deductability of overseas losses has meant a tax charge of £1.29m for the year. Previously, there was a credit of £3.68m which reflected the release of a £4.47m provision no longer required for stock appreciation relief.

After minority profits of £98,000 (£41,000 losses) and extraordinary credits of £194,000 (£435,000), the net attributable surplus was well down from £6.24m to £1.36m. Preference and ordinary dividends again absorb £1.21m.

Stated earnings per share were 5.1p, compared with 25.7p or with 5.8p excluding the tax provision no longer required.

Group net assets at the year end amounted to £19.6m (£19.5m), while net cash balances decreased from £6.3m to £3.2m. During the year £4m was expended on acquisitions (mainly 70 per cent of Denbyware) and capital expenditure came to £2.3m (£1.5m).

### ● comment

In best conglomerate tradition (even if it is on a small scale) Crown House's results are struck after the impact of wide and unconnected influences. Perhaps the only meaningful line is the pre-tax level where a £½m improvement represents a modest step towards the £4½m of two years ago. More is promised for this year though. Crown is unlikely to get close to its peak. The latest figures should be viewed in the context of a £0.9m write-off against an Egyptian contract in the comparable period. But then 1982 has had its own batch of particular contracting problems; losses in South Africa and Australia and substantial reorganisation costs at Best and May. South Africa can be brought round but less obvious is the future for Australia while B and M could be close to breakeven this year. Elsewhere the other feature of the division breakdown must be the rapid, if only partial, recovery at glassware. Yet the underlying market for tableware is no stronger and perhaps even weaker than last year, so it would be wrong to expect another large step forward in 1982-83. Property development by the nature of its limited size puts in lumpy profits. Last year there were no development completions and this £373,000 profit is solely a venture deal on a Bromley site. This year the letting of the Three Bridges development should push the property contribution up again. On the year's high of 83p the p/e (on stated earnings) is 15.7 while the barely covered dividend yields 9.4 per cent.

# Equitable Life growth midway

GOOD NEW business results are reported for the first half of this year by the Equitable Life Assurance Society, thanks to a buoyant pensions sector. New annual premiums advanced by one-fifth from £21.2m to £25.6m, while single premiums were 10 per cent higher at £9.6m against £8.7m.

The company maintained its position as a leader in the self-employed pensions market with a 22 per cent rise in annual premiums of this type of pension business from £12.9m to £15.8m. But it also recorded a 31 per cent increase in annual premiums on executive pension contracts from £3.57m to £4.69m as a result of a sales drive in this sector.

The surprising feature in the results was the strength of Equitable's group pension business, where new annual premiums rose 16 per cent from £2.79m to £3.24m. This is in contrast to the general experience of those life companies heavily involved in the group pensions market, which are reporting lower pensions new business because of the effects of the recession. The society's newly launched money purchase plan has been favourably received.

This success in group pensions business was also reflected in the single premiums which jumped nearly 60 per cent from £1.7m to £2.7m. Incremental single premiums on executive pension contracts advanced 30 per cent from £1.3m to £1.7m, but single premiums on self-employed pension contracts declined nearly 15 per cent from £1.9m to £1.64m.

The society's ordinary life business, in contrast, was somewhat dull over the period. Annual premiums on assurance contracts fell marginally from £1.99m to £1.98m, while lump sum payments for immediate annuities dropped nearly 20 per cent from £2.39m to £1.95m.

# Pentos gets third payment arising from Caplan deal

Pentos, the industrial holding group, yesterday announced that it had obtained a third payment arising from irregularities connected with its acquisition of the Caplan Profile group in 1979.

The insurers of Malvern and Co., who were Caplan's auditors, have agreed to pay Pentos £250,000, representing the full amount of Malvern's professional indemnity insurance, immediately. This payment is ex gratia and Malvern denies any liability of any kind to Pentos.

Proceedings against Singer and Friedlander, financial advisers to the Caplan group, are continuing

After buying Caplan for £7m in shares Pentos discovered net tangible assets, put at just over £3m, had been overstated by £950,000, while profits for the year ended August 31, 1979, forecast at £1.4m emerged at only £769,000.

Claims made against Mr Ian Caplan and his family and against Neville Russell and Co, Pentos's own auditors, resulted in earlier agreements to pay Pentos £700,000 and £400,000 respectively although liability was also denied.

# Kinta Kellas down to £568,000

Kinta Kellas Rubber Estates has registered a fall in pre-tax profit to £568,000 against £676,000, for the year to March 31 1982 on turnover down from £1.52m to £1.45m.

The dividend per 10p ordinary share is maintained at 5p net, with a same again final of 3.5p. Earnings per share are stated lower at 7.14p (7.48p).

The results included tin tribute of £167,000 (£114,000), investment income £175,000 £211,000) and associate's share £11,000 (£12,000).

# Control Securities tops £1m mark for first time

FOR THE first time in its history, profits of property concern, Control Securities, have exceeded the £1m mark. Pre-tax profits for the year ended March 31 1982 have climbed by 58 per cent from £0.64m to £1.01m and the board feels sure that in the current year, the company will be able to maintain its profit record in spite of the still difficult economic climate.

At halfway, when reporting taxable figures ahead from £0.28m to £0.54m, the board said it believed that profits for the second six months would be in line with those of the first half.

In line with forecast, a final dividend of 1.575p is recommended, making a total for the year of 2.75625p net after adjusting for the one-for-three scrip issue, compared with an adjusted 2.1p.

Stated earnings per 10p share were up from 3.47p to 4.73p basic, and from 2.89p to 4.31p fully diluted.

Turnover for the year was little changed at £2.55m (£2.58m), of which £0.39m (same) was rental income and £2.16m (£2.19m) other income. Pre-tax profits were struck after interest payable of £313,134 (£308,319) and share of an associate, Cefn Estates, whose profits rose from £670 to £351,704 by property acquisitions and disposal made during the year.

Tax took £209,240 (£129,702) and after extraordinary debits of £2,131 (£693) and minorities, net available profits were up from £495,458 to £789,993. Dividends absorb £461,298 (£307,576).

The board says that in previous years, although paying higher dividends, the company has been able to enlarge substantially its shareholders' funds. As a result, its assets have grown considerably and it is now entering a new phase in its expansion.

Following the payment of the current dividend, the company now complies with the Trustee Investment Act 1961 Part 3, which makes its equity eligible for purchase by trusts.

# Scan Data back in black

For the half year ended May 31 1982, Scan Data International, computer supply and maintenance concern, turned in profits of £78,934 on a turnover of £1.94m. For the comparative period the company, on a turnover of £1.53m, incurred losses of £140,654, but there were after development expenditure on micro-computer systems of £196,986.

The directors say the substantial proportion of this expenditure was completed in 1981 and that the effects were beginning to be reflected in the sales growth of these products during the six months.

Order books for both Texas Instruments and onyx based products are at record levels. The board expects to continue the significant growth in level of sales and to move further towards margins, which were enjoyed up to 1980, during the second half of the year.

By virtue of tax losses and allowances available it is not expected that there will be any liability to corporation tax on the profit for the first half.

# Dewhurst and Partner profit midway

A PRE-TAX profit of £24,240 is reported by Dewhurst and Partner for the half-year ended March 28 1982 compared with losses of £348,800 for the same period last year. A big improvement is forecast for the year.

An 0.15p net interim dividend per 10p share will be paid. There was no interim last year while a final of 0.15p was paid. For the year 1980-81 losses were £337,000.

The company manufactures automatic electrical control equipment. Turnover improved slightly from £1.52m to £1.58m, while earnings per share were reported as 0.24p (4.55p loss).

Pre-tax profits were made up of: Dewhurst and Partner losses £19,780 (£87,970 loss); Dupar Pelapone profits £2,810 (£279,290 loss); and Dupar Canada profits £41,210 (£18,260).

The company says Dupar Pelapone will generate a modest profit for the full year and Dupar Canada an increased profit over last year despite more difficult trading conditions in North America.

It says Dewhurst and Partners is still experiencing disappointing levels of demand, although there has been some improvement, which should yield marginal profitability in the second half.

The company adds that the group will, therefore, show a marked improvement for the full year over last year's figures.


BROWN & TAWSE

STEEL AND TUBE STOCKHOLDERS AND PROCESSORS

The Chairman, Mr S. Douglas Rae, reporting on the year to 31st March 1982, says that, despite only a marginal increase in sales, profits continued to improve throughout the year, largely due to unremitting efforts to reduce costs.

- Profits double to £3.2 million.
- Total dividend increased to 7.0p per share (1981 – 6.4p).
- One for one capitalisation issue.
- Financial resources remain healthy.

"There are grounds for confidence in the outcome of the current year."

Copies of the Annual Report may be obtained from The Secretary, Brown & Tawse PLC, P.O. Box 159, St. Leonards Street, London E3 3JQ.


## MARLING INDUSTRIES P.L.C.

**Preliminary announcement of results for year to 31 March 1982**

| | 1982 £000's | 1981 £000's |
|---|---|---|
| TURNOVER | 22,168 | 19,820 |
| GROUP PROFIT BEFORE TAX | 1,577 | 405 |
| EARNINGS PER SHARE | 10.56p | 1.83p |
| DIVIDEND PER SHARE | 1.08p | .94p |

**LOAN FACILITY**

Directors have negotiated an arrangement with FFI (UK Finance) plc ("FFI") which will provide the Company with up to £3 million of long-term finance for the purpose of repaying short-term borrowings of the Company and making available substantial funds for further expansion and development of the Group. Under the arrangement, FFI would have the option to convert up to £1 million of the loan into ordinary 10p shares to a maximum of 2,229,102 shares, so that on full exercise of the conversion rights, FFI would hold approximately 12.87% of the issued share capital of the Company. Repayment of loans drawn under this facility will commence in 1996.

Details of this facility will be circulated to shareholders together with the annual financial statements and formal approval will be requested at the Annual General Meeting.

**THE TRING HALL USM INDEX**

127.4 (−0.7)

Close of business 19/7/82

Tel: 01-638 1591

BASE DATE 10/11/80 100

**LADBROKE INDEX**

565-570 (+10)


GLOBE INVESTMENT TRUST

"There is a whole world wherein we are charged to find the most rewarding investments for you."

*The Hon. Edward D. G. Davies, Governor, Globe Investment Trust P.L.C.*

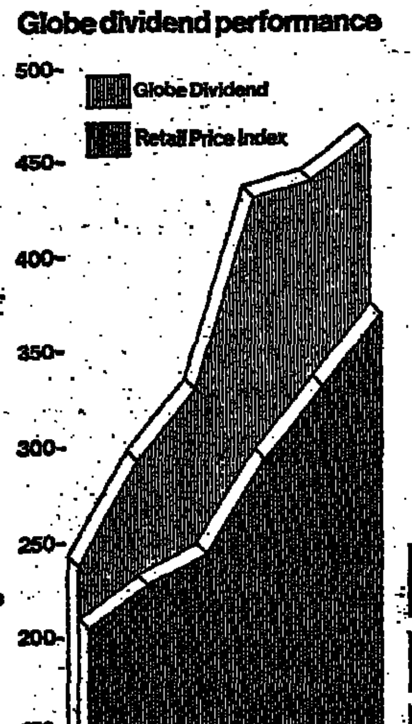
In the year ended 31st March 1982 Globe Investment Trust continued to broaden its international investment spread and to develop its activities in the field of investment and money management.

It is part of Globe's investment policy to make sizeable commitments in a small number of particular situations which carry the promise of exceptional return, because in this way the Company can best achieve its over-riding objective of providing its shareholders with a greater than average total return.

For the tenth consecutive year the dividend has been increased – by 5% to 7.90p per share. The Directors are confident of their ability to maintain this rate of dividend for the current year – and do not rule out an increase if interest rates should finally and reliably fall.

Tyndall Group showed a further increase in profitability and its Money Fund, with its cheque-book facility, has proved extremely popular. Tyndall Life has been launched and aims to be a major force in the life assurance industry.

Globe dividend performance




**The Outlook**
In his Statement to shareholders the Governor said:
"By active management we shall continue to move our funds to those areas of the world where we feel the best prospects for successful investment to be. . . . I can promise you our total commitment to effort and application, ensuring as best we can an acceptable performance for the current year."

Post the coupon for a copy of the full text of the Governor's Statement with the Report and Financial Statements. No stamp is needed.

To: Globe Investment Trust P.L.C., FREEPOST, London WC2R 3BR. Telephone: 01-836 7766
Please send me your 1982 Report.

Name

Address

Post code

AN ELECTRA HOUSE COMPANY



The announcement appears as a matter of record only

BRIDGE OIL LIMITED
BRIDGE OIL DEVELOPMENTS
PTY. LIMITED

COOPER BASIN LIQUIDS PROJECT

A$100,000,000
MULTI-CURRENCY
PROJECT FINANCE FACILITIES

LEAD MANAGERS

THE HONGKONG AND SHANGHAI BANKING CORPORATION

MARINE MIDLAND BANK, N.A.

FUNDS PROVIDED BY

THE HONGKONG AND SHANGHAI BANKING CORPORATION — SINGAPORE A.C.U.

MARINE MIDLAND BANK, N.A.

THE COMMERCIAL BANK OF AUSTRALIA LIMITED

AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION

CANADIAN IMPERIAL BANK OF COMMERCE GROUP

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

MIDLAND FINANCE (H.K.) LIMITED

WARDLEY INTERNATIONAL BANK LIMITED

BT AUSTRALIA LIMITED

WARDLEY AUSTRALIA LIMITED

ARRANGED BY

WARDLEY AUSTRALIA LIMITED

June 1982

MINING NEWS

# Barlow Rand golds earn more in June quarter

BY KENNETH MARSTON, MINING EDITOR

DESPITE A lower average gold price in terms of U.S. dollars during the June quarter, the South African mines in the Barlow Rand group have increased net profits for the period, but special factors are involved.

For one thing the weakness of the rand against the dollar has resulted in Harmony and Blyvoor receiving a slightly higher price in terms of rands and has cushioned the fall in the cases of the marginal Durban Deep and East Rand Proprietary Mines (ERPM).

More important, as far as Harmony and Blyvoor are concerned, has been the sharp fall in tax liability during the latest quarter. In the previous three months the tax bill was enlarged by the retrospective effects of the increase announced in the South African budget earlier this year.

Things are now back to normal and, in addition, the mines have benefited from allowances for capital expenditure which has resulted in Harmony escaping liability for mining tax and State's share of profit. The mine has also increased gold production thanks to a higher mill grade.

Blyvoor's production, in the other hand, has dropped in line with a fall in grade which reflects the progressive decrease in tonnage mined from the West Driefontein area. The mine has also suffered a sizeable rise in cost per tonne of ore milled.

State aid has come to the rescue of Durban Deep and ERPM. The former company was still in profit before the aid but the latter made another loss, albeit reduced from that of the March quarter because of a better mill grade which led to increased gold production.

The latest quarterly profits are compared in the following table.

| | June qtr R000s | March qtr R000s | Dec qtr R000s |
|---|---|---|---|
| Blyvooruitzicht | 14,233 | 13,824 | 17,453 |
| Durban Deep | *3,934 | 2,596 | 3,446 |
| East Rand Pty | *3,447 | †223 | *8,807 |
| Harmony | 27,220 | 21,722 | 24,902 |

*After receipt of State assistance. † Restated.

# Zimbabwe mines seek government aid

NEARLY 2000 Zimbabwean miners have been retrenched in recent months owing to the world recession which has led to the closure of 177 mines, reports Tony Hawkins from Harare.

Announcing this in Harare, the Minister of Mines, Mr Maurice Nyagumbo said that 163 small gold mines employing 1,880 workers had been closed along with 14 base metal properties employing 120 people.

"Market prices for our exports, particularly gold, asbestos, copper, cobalt, tantalite and tungsten have fallen considerably over the past 12 months while costs have continued to spiral," he said.

He revealed that three of the country's major mining group—Zimbabwe Alloys (Ferrochrome), MTD Mangula (copper) and Empress Nickel Mining, had requested Government assistance to avoid redundancies and closures.

First quarter figures for 1982 show that the volume of mining production, which fell to a 10-year low in 1981, declined a further 6.5 per cent. In value terms, output was down 3.5 per cent following a 6 per cent decline in 1981.

There has been speculation in Zimbabwe that the Government might devalue the Zimbabwe dollar to assist all export sectors and not just the mining industry.

However, there is a growing feeling that some form of subsidy procedure allied with loan guarantees might be preferred. An indication of future policy is anticipated in the July 29 budget when the Minister of Finance is thought likely to comment on both exchange rate policy and future policy towards the hard-pressed export sector in general and the mining industry in particular.


## OCEAN WILSONS (HOLDINGS) PLC

SALIENT POINTS FROM THE CHAIRMAN'S REVIEW

**Profits and Dividends**

Profits, before taxation, for the year ended 31st December, 1981 are £3,522,000 compared with £3,312,000 for the previous eleven month period and after taxation are £1,710,000 compared with £1,231,000. The Directors have recommended the payment of a final dividend of 2.20p per share which, together with the interim dividend of 0.75p, already paid, makes a total for the year of 2.95p per share for the year compared with 2.60p for the previous period (an increase of 13.5 per cent).

**Investments and Net Assets**

The listed investment portfolio was valued on 31st December, 1981 at £4,632,000, a surplus over cost of £2,810,000. A later valuation made 30th June, 1982 showed figures of £4,325,000 and £2,533,000.

Attributable net assets for each 20p share at book values and including the surplus on listed investments, was 64.66p per share of which 26.02p is situated in the United Kingdom and 38.64p in Brazil. The current cost accounts disclose Net Assets of 116.29p per share of which 90.27p is in Brazil.

**Brazil**

The operations of the Brazilian subsidiaries have again shown a reasonable increase despite the recession being experienced in Brazil. Profits before taxation have risen by 85.75 per cent in Cruzeiro terms, almost keeping pace with internal inflation of 95.2 per cent but exceeding the fall in the Sterling/Cruzeiro exchange rate of 56.5 per cent. The recession has, however, had a drastic effect on the results of the associated companies which show a trading loss of £295,000 for the year compared with a profit for the previous period of £105,000. Certain loss-making activities have now been discontinued and steps taken to minimise costs at all other centres of operation.

**Future Prospects**

1981 to 1983 is a very challenging period for Brazil, both economically and politically. However, the development of the country's immense resources now under way should permit in two to three years' time the resumption of growth in the Brazilian economy, experienced before the crisis induced by the increase in oil prices. So far as our Group is concerned, our operations should benefit from the services which we are able to supply to assist the high volume of export and other trading activities.

COMPARATIVE STATEMENT

| | Year 31.12.1981 £000 | 11 months 31.12.1980 £000 |
|---|---|---|
| **Profits and Dividends** | | |
| Group Turnover | £46,798 | £38,185 |
| Profit before Taxation | 3,522 | 3,312 |
| Taxation United Kingdom | 178 | 329 |
| Overseas | 1,634 | 1,652 |
| Group Profit after Taxation | 1,710 | 1,331 |
| Dividends | 781 | 688 |
| Amount Retained | 929 | 643 |
| Earnings per Share | 6.46p | 5.02p |
| Dividends per Share | 2.95p | 2.60p |
| **Group Net Assets** | | |
| Situated in United Kingdom at book value | 4,078 | 3,871 |
| Surplus of market value over book value of listed investments | 2,810 | 3,127 |
| | 6,888 | 6,998 |
| Situated in Brazil at book value | 10,227 | 9,326 |
| | £17,115 | £16,324 |

The Annual General Meeting will be held at Hall 19, Winchester House, 100 Old Broad Street, London E.C.2 on Wednesday, 11th August, 1982 at 12 noon.


# Interest rates hit A. McAlpine

THE South African coal mining company Alfred McAlpine, which is 70 per cent-owned by the UK Marchwiel group, was hit by higher interest charges in the six months to April 30, reports our Johannesburg correspondent. The interim dividend, however, is maintained at 8 cents (4p).

Turnover in the first half jumped to R13m (£6.53m) from R8.2m in the same period of the previous year but the increased interest charges resulted in pre-tax profits falling to R1.37m from R1.51m. Other adverse factors included major plant reconditioning and the cost of setting up new open-cast operations.

Good progress has been made with the export expansion programme at the Optimum Colliery and McAlpine has been granted an annual coal export allocation of 500,000 tonnes as part of phase 4a of the Richards Bay development project. Sales under this allocation are unlikely to start until 1990 at the earliest.

# Australia £100m bulldog bond issue

AUSTRALIA HAS become the latest borrower in the bulldog bond market—the domestic UK sector for foreign entities. The Commonwealth of Australia yesterday launched a £100m public 28-year partly paid issue through S. G. Warburg and five other managers.

The yield will be fixed at 3.00 pm on Wednesday and will provide a margin of 1 per cent above the gross redemption yield on the 13½ per cent Treasury Stock 2004-08. Investors will paid £20 per cent on £100 of stock and the balance on October 28.

If the Australian paper had been priced yesterday it would have provided a yield of 13.77 per cent. Brokers to the issue are Rowe and Pitman, Phillips and Drew and R. Nivison and Co.

The last bulldog bond was a £100m issue for New Zealand, also led by Warburg. This issue was £25 per cent partly paid and was priced to provide a spread of 75 basis points over the mean of the gross redemption yields of the 13¾ per cent Exchequer Stock 1987 and the 12 per cent Treasury Stock 1987.

# Equity and Law acquires Belgian company for £4m

Equity and Law Life Assurance Society is expanding its European operations by acquiring the Belgian insurance company L'Union Europeenne in a cash transaction worth around £4m. This will be the society's first venture into Belgium.

L'Union Europeenne operates a life assurance company, a general insurance company and a small savings bank. Its total premium income in 1981 was in excess of BFr 300m (£3.5m) and its total assets at the end of 1981 amounted to around BFr 1.9bn (£22m). Its headquarters is situated in Brussels.

Equity and Law commenced its European operations in the Netherlands in 1970 when it opened a branch office in the Hague. It now has around 2½ per cent of the individual life market in that country and is steadily increasing its penetration into the group pensions market. This was followed by the society's entry into the German market in 1974 when it opened a branch in Wiesbaden.

The company has a policy of expanding its European operations as and when opportunities arise, but still regards the UK as its main area of growth.

But last year around one-fifth of its new business arose from its European operations.

The acquisition of L'Union Europeenne will involve Equity and Law in the direct underwriting of general insurance business for the first time. In the UK the company has confined itself solely to long-term insurance business. But with its German operations it has had to provide a complete package of financial services, including general insurance facilities. This practice is common in Belgium and the company is coming under increasing pressure to provide a similar service in Holland.

# S & W Berisford sugar bid may face new Monopolies probe

BY A. H. HERMANN, LEGAL CORRESPONDENT

A NEW reference to the Monopolies and Mergers Commission of takeover attempts by S. and W. Berisford, the UK commodity group, for British Sugar Corporation, could take place following the recent £282m bid by Berisford for the sugar group.

"It is either absorption or independence," said Mr John Beckett, British Sugar's chief executive, after his group made dramatic new moves in London and Luxembourg.

British Sugar yesterday lodged a new submission with the Office of Fair Trading (OFT) asking for a new reference of the takeover bid to the Monopolies and Mergers Commission. The group has been told that the OFT is aware of the urgency of the matter.

The European Commission is already studying the takeover bid.

Mr Beckett said that the main new argument against the merger is that the combined enterprise would have a debt/equity ratio of two to one. This would, in his view, work against the public interest as any responsible board would have to try to reduce the indebtedness radically in the shortest time possible.

This could hardly be done, in his view, without causing a restriction in the Berisford branch trading and without endangering the availability of funds for capital equipment and for payments to farmers in the British Sugar branch of the combined enterprise.

He argues that the conclusions of the first report by the Commission no longer hold because since that report the profitability and market share of British Sugar increased substantially.

This would also require a more substantial representation of British Sugar on the main board of the combined enterprise than was envisaged by the Commission.

British Sugar's lawyers were yesterday lodging with the registry of the European Court in Luxembourg an appeal against the Commission's decision last Friday that there was no need for a temporary measure of protection, which would have frozen a purchase of a crucial 10.5 per cent holding in British Sugar which is owned by Rank Hovis McDougall.

Berisford is buying that stake to add to its own holding of 40.02 per cent in the sugar group.

The European Court will dispense in a few days but a preliminary order of protection could be made by its president who is usually available for urgent decisions during the court's long summer holiday.

The Commission is likely to oppose the application in the first instance on procedural grounds, claiming that it is inadmissible as there is no formal decision yet.

On the other hand the Commission may well be tempted to exploit this opportunity for gaining from the court a ruling which would have the indirect effect of increasing its power to make preliminary orders of protection.

# Investors Capital Trust ahead at £1m

After all charges and tax, net revenue of Investors Capital Trust rose from £845,000 to £1.05m in the first six months to May 31 1982. Earnings per 25p share improved from 1.31p to 1.64p.

As already announced the net interim dividend per share has been maintained at 1.5p. A final of 1.65p was paid last year.

The directors say revenue was above earlier expectations with income from the U.S. benefiting from the strength of the dollar. But, they add, there may be little further benefit in the short term from currency movements and the income growth will not be repeated in the second half.

However, they anticipate the total dividend of 3.15p will be maintained.

Net asset value fell by 2.7 per cent from the November level of £110.42m to £108.6m and the net asset value per share dropped from 150.5p to 146.4p.

Franked investment income stood at £1.04m (£999,000) while unfranked investment income stood at £1.35m (£1.08m).

Management expenses took £204,000 (£164,000), interest on debenture and loan debt £483,000 (438,000) while tax increased from £636,000 to £680,000.

# Cater Allen in financial futures market

Cater Allen Futures has been formed exclusively to trade on the London International Financial Futures Exchange, of which it is a full clearing member.

It aims to provide clients with an immediate dealing service in the fast moving markets and provide the advice necessary for dealings evolved from a technical analysis of the market factors involved. As it is situated practically next door to the exchange, this will further increase the efficiency of the service it offers.

## SGH/TANKS

Acceptances to the offer by Societe Generale Holdings SA (SGH) for all the issued 9 per cent cumulative redeemable preference shares of Tanks have been received in respect of over 90 per cent of the preference shares.

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Leda Investment Trust, Meldrum Investment Trust.

Finals:—Allied Colloids, Black Arrow, Fuller Smith and Turner, Hogg Robinson, Moorgate Investment Trust, R.F.D., Radiant Metal Finishing, Rothmans International, Sheffield Refreshment Houses.

FUTURE DATES

Interims:—

| | |
|---|---|
| Clarke (T.) | Aug 12 |
| Hong Kong and Shanghai Bnkg. | Aug 24 |
| Jourdan (Thomas) | July 26 |
| Lex Service | July 30 |
| Royal Insurance | Aug 18 |
| Woolworth (F. W.) | Aug 11 |

Finals:—

| | |
|---|---|
| Aitken Hume | July 21 |
| Arlington Motor | †July 26 |
| Brasway | July 28 |
| Celestion Industries | July 22 |
| Dom | July 23 |
| Norton and Wright | July 27 |
| Steinberg | July 29 |

† Amended.

# William Sommerville pays more

William Sommerville and Son reports pre-tax profits of £4,522 for the year ending May 31 1982, compared with losses of £54,229 last year. The final dividend is 1p, against 0.55p, making a total net payment of 1.55p, compared with 1.1p.

Turnover for this paper manufacturer improved by £772,000 to £4.42m. Attributable profits, including extraordinary items, fell from £178,710 to £39,948. Earnings per 25p share were given as 5.85p (7.32p loss).

## ROWAN & BODEN

Agreement has been reached for Rowan & Boden, engineer, covering contractor, to dispose of its subsidiary, Roanoid Plastics, for 9,800 or 49 per cent of the ordinary shares in Braidwood Developments, the acquiring company. The existing shareholders of Braidwood are Intercobra, and the Scottish Development Agency, who will keep between them the balance of Braidwood shares.

The company has an option to buy the rest of the Braidwood shares, falling which there is a reciprocal option in favour of Intercobra for the Braidwood shares held by Rowan & Boden and the SDA.

Braidwood made losses of £104,404 for the year to March 31 1982, Roanoid Plastics made losses of £298,308 for 1981. The directors report little change in the pattern of losses for the period to June 30. They point out that it would be unrealistic to attribute any real value to either assets being acquired or disposed of in the transaction.

## J. SAINSBURY

Sir John Sainsbury has reduced his beneficial holdings in J. Sainsbury by 250,000 shares and his non-beneficial holding by 10,000 shares.

Mr Timothy Sainsbury has reduced his beneficial holding by 200,000 shares and his non-beneficial holding by 160,000 shares.

Mr David Sainsbury has reduced his beneficial holding by 302,000 shares.

The sales have resulted in notifiable changes to certain substantial interests which now stand at: Mr Simon Sainsbury 13 per cent; Vanheimer Trustee 10 per cent; Mr W. M. Fybus 9 per cent.

## ASSOCIATES DEAL

On July 13 Hoare Govett bought 50,000 shares in Johnson Group Cleaners at 290p each on behalf of Sunlight Service Group.


## COMPANY NOTICE

DIVIDEND NOTICE

TO THE HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS FOR COMMON STOCK OF TOSHIBA CORPORATION (FORMERLY TOKYO SHIBAURA ELECTRIC CO)

DESIGNATED COUPON No. 467

(Action Required on or Prior to 31st October 1982)

[illegible]

DEPOSITARY'S AGENTS

[illegible]

Dated: 20 July 1982

[illegible]



## THE LONDON AND PROVINCIAL TRUST PLC

Investment Manager—Robert Fleming Investment Management Limited

Secretary—Robert Fleming Services Limited

Three-year summary of results

| Year ended 31st March | Total Income £'000 | Ordinary Shares Earned per share | Ordinary Shares Paid per share | Gross Assets (less current liabilities) £'000 | Net Asset Value per Ordinary share |
|---|---|---|---|---|---|
| 1980 | 2,730 | 5.21p | 5.20p | 45,767 | 141.6p |
| 1981 | 2,500 | 5.33p | 5.30p | 63,919 | 199.9p |
| 1982 | 3,049 | 5.67p | 5.65p | 63,593 | 198.9p |

In his statement, the Chairman LORD WYFOLD said that the Directors and their advisers are studying the reorganisation of the Company into one or more unit trusts and that they hope to send Shareholders specific proposals in the near future. Should the Company continue as a general investment trust, Shareholders can expect dividends totalling not less than 5.65p per Ordinary Share.

*Copies of the Accounts are available from the Registrars, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU.*


## LONDON TRADED OPTIONS

July 19 Total Contracts 1872 Calls 1514 Puts 358

| Option | Ex'rcise price | July Closing offer | July Vol. | Oct. Closing offer | Oct. Vol. | Jan. Closing offer | Jan. Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| BP (c) | 260 | 13 | 25 | 26 | — | 34 | 9 | [illegible] |
| BP (c) | 280 | 2½ | 10 | 15 | 6 | 22 | — | " |
| BP (c) | 300 | ¾ | 2 | 8 | 4 | 14 | — | " |
| BP (c) | 330 | ¼ | — | 4 | 5 | 6 | — | " |
| BP (p) | 280 | 16 | 1 | 32 | 5 | 28 | — | " |
| CU (c) | 130 | 11 | 21 | 17 | — | 20 | — | 141p |
| CU (c) | 140 | 3 | 10 | 9½ | 39 | 14 | 4 | " |
| CU (c) | 160 | 1½ | — | 4½ | 10 | — | — | " |
| Cons. Gld (c) | 360 | 32 | 26 | 47 | 1 | 54 | 6 | [illegible] |
| Cons. Gld (c) | 390 | 8 | 43 | 17 | 10 | 30 | — | " |
| Cons. Gld (p) | 360 | 4 | — | 16 | 12 | 27 | — | " |
| Cons. Gld (p) | 390 | 17 | 1 | 27 | 5 | 35 | — | " |
| Ctlds. (c) | 80 | 2 | 20 | 9 | 35 | 12 | — | 79p |
| GEC (c) | 850 | 198 | 2 | 215 | — | 233 | — | 1010p |
| GEC (c) | 950 | 98 | 1 | 120 | 1 | 140 | — | " |
| GEC (c) | 1000 | 50 | 46 | 78 | 5 | 100 | 8 | " |
| GEC (c) | 1100 | 4 | — | 35 | 12 | 60 | 2 | " |
| GEC (p) | 1000 | 4 | — | 24 | — | 38 | 2 | " |
| Gr'd Met. (c) | 194 | 44 | 3 | 49 | — | 54 | — | 236p |
| Gr'd Met. (c) | 200 | 38 | — | 45 | 4 | 47 | — | " |
| Gr'd Met. (c) | 214 | 24 | 11 | 28 | 1 | 34 | — | " |
| Gr'd Met. (c) | 220 | 18 | — | 24 | 7 | 30 | 3 | " |
| Gr'd Met. (c) | 240 | 4 | 30 | 12 | 27 | 17 | 2 | " |
| Gr'd Met. (p) | 200 | ½ | — | 4 | 10 | 6 | — | " |
| Gr'd Met. (p) | 220 | 1 | 2 | 8 | 2 | 10 | — | " |
| Gr'd Met. (p) | 240 | 6 | 5 | 15 | 2 | 19 | — | " |
| ICI (c) | 260 | 52 | 2 | — | — | — | — | 310p |
| ICI (c) | 280 | 32 | 6 | 40 | 5 | 48 | — | " |
| ICI (c) | 300 | 14 | 37 | 28 | 101 | 38 | 8 | " |
| ICI (c) | 330 | 2 | — | 11 | 86 | 20 | 5 | " |
| ICI (c) | 360 | 1 | — | 3 | 10 | — | — | " |
| ICI (p) | 300 | 3 | 9 | 10 | 18 | 17 | 4 | " |
| ICI (p) | 330 | 22 | 11 | 28 | 10 | 34 | 7 | " |
| ICI (p) | 360 | 53 | — | 54 | 5 | — | — | " |
| Land Sec. (c) | 260 | 14 | 2 | 26 | — | 35 | — | 272p |
| Land Sec. (c) | 280 | 4 | — | 15 | 5 | 23 | — | " |
| Land Sec. (c) | 300 | ¾ | — | 7 | 3 | 15 | — | " |
| Mks & Sp. (c) | 140 | 19 | 5 | 25 | — | 30 | — | 158p |
| Mks & Sp. (c) | 160 | 3 | — | 9½ | 49 | 16 | — | " |
| Shell (c) | 420 | 5 | — | 16 | 176 | 24 | 2 | 400p |
| Shell (p) | 360 | 1 | — | 7 | 1 | 12 | — | " |
| | | August | | November | | February | | |
| Barclays (c) | 360 | 33 | 2 | 57 | — | 45 | — | 376p |
| Barclays (c) | 385 | 10 | 4 | 23 | — | — | — | " |
| Barclays (p) | 385 | 12 | — | 16 | — | 35 | 1 | " |
| Imperial (c) | 60 | 40 | 10 | — | — | — | — | 99p |
| Imperial (c) | 80 | 20 | 2 | 22½ | 4 | — | — | " |
| Imperial (c) | 90 | 9½ | 89 | 13 | 4 | 16 | 3 | " |
| Imperial (c) | 100 | 2 | 69 | 5½ | 67 | 9½ | — | " |
| Lasmo (c) | 300 | 16 | 6 | 34 | 5 | 60 | — | 305p |
| Lasmo (c) | 330 | 6 | 6 | 20 | 3 | 34 | — | " |
| Lonrho (c) | 70 | 16 | 5 | 17 | — | 19 | 7 | 85p |
| Lonrho (c) | 80 | 7 | 7 | 11 | 23 | 15 | 6 | " |
| Lonrho (c) | 90 | 3½ | — | 6 | 128 | 7 | 81 | " |
| Lonrho (c) | 80 | 2 | 10 | 4 | — | 6 | 10 | " |
| Lonrho (p) | 90 | 7 | 5 | 9 | — | 11 | — | " |
| P & O (p) | 140 | 12 | 4 | 18½ | — | 24 | — | 150p |
| Racal (c) | 420 | 65 | 26 | 80 | 2 | 100 | — | 480p |
| Racal (c) | 460 | 25 | 77 | 44 | 29 | 63 | — | " |
| Racal (p) | 390 | 1 | — | 5 | — | 10 | 4 | " |
| Racal (p) | 460 | 8 | 8 | 15 | 1 | 25 | 6 | " |
| RTZ (c) | 330 | 72 | — | 82 | 2 | 87 | — | 398p |
| RTZ (c) | 360 | 45 | 11 | 62 | — | 70 | — | " |
| RTZ (c) | 390 | 25 | 12 | 37 | — | 47 | 5 | " |
| RTZ (c) | 420 | 7 | 5 | 22 | 23 | 35 | 6 | " |
| RTZ (c) | 460 | 1½ | — | 7 | 6 | 18 | — | " |
| RTZ (p) | 390 | 12 | 2 | 25 | — | 32 | — | " |
| RTZ (p) | 420 | 32 | 1 | 40 | — | 47 | — | " |
| RTZ (p) | 460 | 72 | — | 77 | 1 | 82 | — | " |
| Vaal Rfs. (c) | 40 | 9 | 10 | 9½ | 5 | 11½ | — | [illegible] |
| Vaal Rfs. (c) | 45 | 4½ | 10 | 8 | — | 7¾ | — | " |
| Vaal Rfs. (c) | 50 | 2 | 11 | 5¼ | — | 4 | — | " |
| Vaal Rfs. (p) | 45 | 2¼ | — | 5 | 1 | 6 | — | " |

C=Call P=Put

## EUROPEAN OPTIONS EXCHANGE

| Series | | Aug. Vol. | Aug. Last | Nov. Vol. | Nov. Last | Feb. Vol. | Feb. Last | Stock |
|---|---|---|---|---|---|---|---|---|
| GOLD C | $325 | 4 | 33 | — | — | 10 | 60 | $350 |
| GOLD C | $350 | 55 | 16 | 17 | 28 | 65 | 41 | " |
| GOLD C | $375 | — | — | 15 | 19 | — | — | " |
| GOLD C | $400 | 45 | 2 | 63 | 10 | — | — | " |
| GOLD P | $300 | — | — | 26 | 5 | — | — | " |
| GOLD P | $325 | 2 | 3 | — | — | 10 | 15 | " |
| GOLD P | $350 | 39 | 13 | 5 | 20 | — | — | " |
| GOLD P | $375 | 7 | 27 | — | — | — | — | " |
| 12¾ NL 81 87-91 | | | | | | | | |
| C | F.110 | 100 | 2.50 | 500 | 3.30 | 5 | 3.50 | F.112.50 |
| C | F.112.50 | 109 | 0.60 | 50 | 1.60 | — | — | " |
| C | F.115 | — | — | 50 | 1 | — | — | " |
| 10¼ NL 80 86-95 | | | | | | | | |
| C | F.100 | — | — | — | — | 200 | 2.70 | F.101.30 |
| C | F.102.50 | 5 | 0.40 | 200 | 1.20 | — | — | " |
| 11¼ NL 82 88-92 | | | | | | | | |
| C | F.102.50 | — | — | 50 | 2.30 | — | — | F.102.80 |
| C | F.107.50 | — | — | — | — | 150 | 0.60 | " |
| 10 NL 82 86-89 | | | | | | | | |
| C | F100 | 100 | 0.30 | — | — | — | — | F.99 |
| | | Oct. | | Jan. | | Apr. | | |
| ABN C | F.280 | 15 | 7.50 | — | — | — | — | F.278 |
| AKZO C | F.22.50 | 2 | 3.20 | — | — | — | — | F.24.60 |
| AKZO C | F.25 | 210 | 1.20 | 14 | 1.80 A | — | — | " |
| AKZO C | F.27.50 | 21 | 0.60 | — | — | — | — | " |
| AKZO C | F.32.50 | 20 | 0.20 | — | — | — | — | " |
| AKZO P | F.25 | 70 | 1.20 | 10 | 1.20 | — | — | " |
| AKZO P | F.27.50 | 10 | 2.70 | — | — | — | — | " |
| AMRO C | F.45 | 26 | 2.10 | 25 | 3.50 | — | — | F.45.80 |
| AMRO C | F.50 | 3 | 1 A | — | — | — | — | " |
| AMRO P | F.45 | 5 | 1.80 | — | — | — | — | " |
| AMRO P | F.50 | — | — | 4 | 5 | — | — | " |
| KODA C | $80 | 6 | 2¼ | 5 | 4⅞ | — | — | [illegible] |
| HEIN C | F.55 | 5 | 5.50 | — | — | — | — | F.59.50 |
| HEIN C | F.60 | 5 | 2.50 | — | — | — | — | " |
| HEIN P | F.55 | 10 | 0.70 | — | — | — | — | " |
| HEIN P | F.60 | 5 | 2.50 | — | — | — | — | " |
| HOOG C | F.15 | 25 | 1.50 | — | — | — | — | F.14.50 |
| HOOG C | F.17.50 | 58 | 0.60 | — | — | — | — | " |
| HOOG C | F.20 | — | — | 50 | 0.50 | — | — | " |
| HOOG P | F.15 | 20 | 0.40 | — | — | — | — | " |
| IBM C | $65 | 7 | 4 | — | — | — | — | [illegible] |
| KLM C | F.90 | 70 | 5.60 | — | — | — | — | F.93.50 |
| KLM C | F.100 | 45 | 2.80 | 19 | 4.80 | — | — | " |
| KLM C | F.110 | — | — | 10 | 2.50 | — | — | " |
| KLM C | F.120 | 43 | 0.60 | 25 | 1.60 | — | — | " |
| KLM P | F.80 | 30 | 2 | 10 | 3 B | — | — | " |
| KLM P | F.90 | 7 | 6.20 | — | — | — | — | " |
| NEDL C | F.110 | 35 | 6.50 B | — | — | — | — | F.112.50 |
| NEDL C | F.120 | — | — | 5 | 4.50 A | — | — | " |
| NEDL C | F.140 | — | — | 17 | 0.80 | — | — | " |
| NATN C | F.120 | 6 | 1 A | 3 | 1.80 | — | — | F.115.2 |
| NATN P | F.115 | — | — | 3 | 2.50 | — | — | " |
| PHIL C | F.22.50 | 40 | 1.60 | 30 | 2.10 | — | — | F.23.40 |
| PHIL C | F.25 | 371 | 0.50 | 155 | 1 | — | — | " |
| PHIL P | F.22.50 | 30 | 0.50 | 10 | 0.80 | — | — | " |
| PHIL P | F.25 | 20 | 1.70 | — | — | — | — | " |
| POLA C | $20 | — | — | 20 | 1⅛ | — | — | [illegible] |
| RD C | F.80 | — | — | 13 | 9.50 | — | — | F.86.70 |
| RD C | F.90 | 173 | 2.50 | 58 | 3.60 | — | — | " |
| RD C | F.100 | 40 | 0.50 | 40 | 1.40 | — | — | " |
| RD P | F.80 | 82 | 1.40 | 49 | 2.20 | 4 | 2.50 | " |
| RD P | F.90 | 7 | 7.20 | 3 | 8.30 | — | — | " |
| UNIL C | F.150 | 52 | 4.80 | 17 | 6.80 | — | — | F.150.70 |
| UNIL C | F.160 | 8 | 1.20 | 4 | 2 | — | — | " |
| UNIL P | F.140 | 5 | 1 | — | — | — | — | " |
| UNIL P | F.150 | 20 | 3.20 | — | — | — | — | " |

TOTAL VOLUME IN CONTRACTS 4095

A=Asked B=Bid C=Call P=Put

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 12 % | Grindlays Bank | †12 % |
| Allied Irish Bank | 12 % | ■ Guinness Mahon | 12 % |
| Amro Bank | 12 % | ■ Hambros Bank | 12 % |
| Henry Ansbacher | 12 % | Hargrave Secs. Ltd. | 12 % |
| Arbuthnot Latham | 12 % | Heritable & Gen. Trust | 12 % |
| Associates Cap. Corp. | 12 % | ■ Hill Samuel | §12 % |
| Banco de Bilbao | 12 % | C. Hoare & Co. | †12 % |
| BCCI | 12 % | Hongkong & Shanghai | 12 % |
| Bank Hapoalim BM | 12 % | Kingsnorth Trust Ltd. | 13 % |
| Bank of Ireland | 12 % | Knowsley & Co. Ltd. | 12½% |
| Bank Leumi (UK) plc | 12 % | Lloyds Bank | 12 % |
| Bank of Cyprus | 12 % | Mallinhall Limited | 12 % |
| Bank Street Sec. Ltd. | 13½% | Edward Manson & Co. | 13½% |
| Bank of N.S.W. | 12 % | Midland Bank | 12 % |
| Banque Belge Ltd. | 12 % | ■ Samuel Montagu | 12 % |
| Banque du Rhone et de la Tamise S.A. | 12½% | ■ Morgan Grenfell | 12 % |
| Barclays Bank | 12 % | National Westminster | 12 % |
| Beneficial Trust Ltd. | 13 % | Norwich General Trust | 12 % |
| Bremar Holdings Ltd. | 13 % | P. S. Refson & Co. | 12 % |
| Brit. Bank of Mid. East | 12 % | Roxburghe Guarantee | 12½% |
| ■ Brown Shipley | 12½% | Slavenburg's Bank | 12 % |
| Canada Perm't Trust | 13 % | Standard Chartered | ‖12 % |
| Castle Court Trust Ltd. | 12½% | Trade Dev. Bank | 12 % |
| Cavendish G'ty T'st Ltd. | 13 % | Trustee Savings Bank | 12 % |
| Cayzer Ltd. | 12 % | TCB | 12 % |
| Cedar Holdings | 12 % | United Bank of Kuwait | 12 % |
| ■ Charterhouse Japhet | 12½% | Volkskas Intl. Ltd. | 12 % |
| Choulartons | 13 % | Whiteaway Laidlaw | 12½% |
| Citibank Savings | ¶12½% | Williams & Glyn's | 12 % |
| Clydesdale Bank | 12 % | Wintrust Secs. Ltd. | 12 % |
| C. E. Coates | 13 % | Yorkshire Bank | 12 % |
| Comm. Bk. of Nr. East | 12 % | | |
| Consolidated Credits | 12½% | | |
| Co-operative Bank | *12 % | | |
| Corinthian Secs. | 12 % | | |
| The Cyprus Popular Bk. | 12 % | | |
| Duncan Lawrie | 12 % | | |
| Eagil Trust | 12 % | | |
| E.T. Trust | 12 % | | |
| Exeter Trust Ltd. | 13 % | | |
| First Nat. Fin. Corp. | 15 % | | |
| First Nat. Secs. Ltd. | 15 % | | |
| Robert Fraser | 13 % | | |

■ Members of the Accepting Houses Committee.

* 7-day deposits 9%, 1 month 9.25%. Short term £8,000/12 month 11.8%.

† 7-day deposits on sums of: under £10,000 9%, £10,000 up to £50,000 9¼%, £50,000 and over 10¼%.

‡ Call deposits £1,000 and over 9%.

§ 21-day deposits over £1,000 10%.

‖ Demand deposits 9%.

¶ Mortgage base rate.

*This Prospectus includes information given in compliance with the Regulations of the Council of The Stock Exchange in London for the purpose of giving information to the public with regard to the Stock to be issued by the Commonwealth of Australia ("Australia"). Australia has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. Australia accepts responsibility accordingly.*

AUSTRALIA

*Dated 20th July, 1982*

# Commonwealth of Australia

Issue on a yield basis of

## £100,000,000 Loan Stock 2010

payable as to £20 per cent. on application
and as to the balance by 28th October, 1982
with interest payable half yearly on 28th July and 28th January

The Issue has been underwritten by

**S. G. Warburg & Co. Ltd.**

**County Bank Limited** **Hill Samuel & Co. Limited**

**Kleinwort, Benson Limited** **Morgan Grenfell & Co. Limited**

**J. Henry Schroder Wagg & Co. Limited**

Application has been made to the Council of The Stock Exchange in London for the £100,000,000 Loan Stock 2010 (the "Stock") to be admitted to the Official List for quotation in the Gilt-edged market. The Stock, when listed, will be an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961.

Renounceable allotment letters (partly paid) in respect of the Stock will be despatched not later than Wednesday, 28th July, 1982. A certificate in respect of the Stock held by a holder of Stock will be despatched to, or at the direction of, that holder on 19th November, 1982 provided the balance of the moneys payable thereon has been duly paid.

### PROCEDURE FOR APPLICATION

*Each application for Stock must be made in the form of the application form* provided herewith and must be lodged with Lloyds Bank Plc, Issue Section, 111 Old Broad Street, London EC2N 1AU (the "Receiving Bank") not later than 10.00 a.m. on Thursday, 22nd July, 1982 and must comply with the provisions of "Terms of Payment in Respect of Applications" below.

Applications for Stock must be for a minimum of £100 principal amount of Stock and thereafter for the following multiples of Stock:—

| Amount of Stock applied for | Multiple |
|---|---|
| £1,000 or less | £100 |
| £1,000 to £10,000 | £1,000 |
| £10,000 to £50,000 | £5,000 |
| £50,000 or greater | £25,000 |

S. G. Warburg & Co. Ltd., on behalf of Australia, reserves the right to reject any application and to accept any application in part only. If any application is not accepted the relevant application form and the amount paid thereon will be returned by post at the risk of the person submitting the application and, if any application is accepted for a smaller amount of Stock than that applied for, the balance of the amount paid on application will be so returned.

S. G. Warburg & Co. Ltd., on behalf of Australia, will announce the basis of allotment by 10.00 a.m. on Friday, 23rd July, 1982. It is expected that confirmation of allotments will be despatched on that day. Acceptances of applications for Stock will be conditional *(inter alia)* upon the Council of The Stock Exchange admitting the Stock to the Official List on or before Wednesday, 28th July, 1982 and the rate of interest on, and issue price of, the Stock being approved by the Treasurer of Australia (see "General Information – Underwriting Arrangements" below).

THE APPLICATION LIST WILL OPEN AT 10.00 A.M. ON THURSDAY, 22nd JULY, 1982 AND CLOSE LATER ON THE SAME DAY.

### TERMS OF PAYMENT IN RESPECT OF APPLICATIONS

Each application form must be accompanied by a cheque made payable to "Lloyds Bank Plc" and crossed "Australia Loan", representing payment at the rate of £20 per cent. of the principal amount of Stock applied for. Such cheques must be drawn on a branch in the United Kingdom or the Channel Islands of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques to be cleared through the facilities provided for the members of those Clearing Houses so as to be cleared not later than 10.00 a.m. (London time) on Wednesday, 28th July, 1982.

S. G. Warburg & Co. Ltd., on behalf of Australia, reserves the right to instruct the Receiving Bank to retain the relevant allotment letters and cheques for surplus application moneys (if any) pending clearance of applicants' remittances.

The balance of the amount payable on the Stock allotted must be paid so as to be cleared on or before Thursday, 28th October, 1982. Any amount paid in advance of its due date shall not bear interest or be entitled to any other payment.

Failure to pay the balance on any Stock when due will render all amounts previously paid liable to forfeiture and the allotment liable to cancellation. Interest at the rate of two per cent. above the Base Rate for the time being of the Receiving Bank may be charged on such balance if accepted after its due date. Australia further reserves the right, in default of payment of such balance, to sell any such Stock fully paid for its own account.

### DELIVERY

Renounceable allotment letters (partly paid) in respect of Stock allotted will be despatched not later than Wednesday, 28th July, 1982 to, and by first class post at the risk of, the person submitting the application in accordance with the instructions stated on the application form.

Allotment letters may be split up to 3.00 p.m. (London time) on 26th October, 1982 in accordance with the instructions contained therein into denominations or multiples of £100 principal amount of Stock.

Unless a duly renounced fully paid allotment letter with the registration application form duly completed is received by the Receiving Bank on or before Thursday, 28th October, 1982 the Stock represented by such allotment letter will be registered in the name of the original allottee and thereafter Stock will be transferable only by instrument of transfer.

Stock certificates will be despatched on 19th November, 1982 at the risk of holders of Stock provided the balance of the moneys payable on the Stock held by the holder to whom the Stock certificates are to be despatched has been duly paid. After that date allotment letters will cease to be valid for any purpose.

### INFORMATION RELATING TO THE ISSUE

The issue of the Stock was authorised by the Governor-General of Australia acting with the advice of the Federal Executive Council on 19th May, 1982 and the Stock will be constituted by a Deed Poll to be dated 28th July, 1982, executed by Australia and deposited with Lloyds Bank Plc, and holders of Stock will be deemed to have notice of and will be bound by its terms.

**Form and Status**

The Stock will be in registered form and transferable in multiples of one penny by instrument in writing in the same manner as if the Stock were a security to which Section 1 of the Stock Transfer Act 1963 applied.

The Stock will constitute a direct, unconditional and general obligation of Australia and the full faith and credit of Australia will be pledged for the due and punctual payment of the principal of and interest on the Stock and for the due and timely performance of all obligations of Australia with respect thereto.

The Stock will be unsecured and will rank *pari passu* with all other unsecured Indebtedness (as that term will be defined in the said Deed Poll) of Australia from time to time outstanding.

**Redemption**

Australia will redeem the Stock at par on 28th July, 2010.

Australia will be able at any time to purchase Stock in the open market at any price or by private agreement at a price (exclusive of accrued interest and expenses) not exceeding 115 per cent. of the middle market quotation for the Stock on The Stock Exchange in London (or, failing such quotation, on such other stock exchange on which the Stock is listed for the time being) at the close of business on the last business day before the date of purchase, but not otherwise.

Stock so purchased shall be cancelled forthwith.

**Interest**

The Stock will bear interest from 28th July, 1982 at a rate per annum to be determined in accordance with "Determination of Rate of Interest and Issue Price" below. Interest on the Stock will be payable by equal half yearly instalments on 28th July and 28th January in each year except that the first payment of interest in respect of the period from 28th July, 1982 to 28th January, 1983 will be calculated on the amount for the time being paid up on the Stock and on the basis of the number of days elapsed and a 365 day year.

***Determination of Rate of Interest and Issue Price***

The Stock will have attached such rate of interest and be issued at such price as will result in the Stock having a gross redemption yield determined on the basis described below (the "Issue Yield").

The Issue Yield shall mean the sum of one per cent. and the gross redemption yield, rounded to three places of decimals (with 0.0005 being rounded upwards), on 13½ per cent. Treasury Stock 2004-08 at 3.00 p.m. (London time) on Wednesday, 21st July, 1982, the price cum dividend of such Treasury Stock to be determined by S. G. Warburg & Co. Ltd. to be the arithmetic mean of the bid and offered prices quoted on a dealing basis for settlement on the following business day by three jobbers in the Gilt-edged market. The gross redemption yield will be expressed as a percentage and will be calculated on the basis set out under "Calculation of Gross Redemption Yield" below.

The rate of interest attaching to the Stock will be determined by S. G. Warburg & Co. Ltd. and will be an integral multiple of one quarter of one per cent. and the issue price, which will not be greater than par nor less than £95 per cent., will also be determined by S. G. Warburg & Co. Ltd. and will be expressed as a percentage rounded to three places of decimals (with 0.0005 being rounded upwards).

It is intended that notice of the Issue Yield, rate of interest and issue price will be published in the *Financial Times* on Thursday, 22nd July, 1982.

**Calculation of Gross Redemption Yield**

The gross redemption yield will be calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries Vol. 105, Part 1, 1978, page 18 as follows:—

"Redemption yields are calculated taking accrued interest as part of the price and using a true compound interest formula i.e. finding the value of $v$ to give $f(v)=0$ where

$$f(v) = v^{p}\left(C_1 + C\frac{(1-v^{n})v}{(1-v)} + Rv^{n}\right) - P - \sum_{t} B_t \cdot v^{k_t}$$

and $v$ is the discounting factor per period (e.g. half-year),
$R$ is the redemption amount,
$C$ is the coupon amount per period,
$C_1$ is the actual coupon due at the next payment date (which may be zero if the stock is already quoted 'ex dividend', or may be a first fractional payment),
$n$ is the integral number of periods till redemption from the next payment date,
$p$ is the fractional period till the next payment date,
$P$ is the price actually payable (with 'accrued interest' not 'stripped out', but, for shorts, added in),
$B_1$, $B_2$ etc. are outstanding calls on a partly-paid stock,
$k_1$, $k_2$ etc. are the fractional periods till these calls are due.

When the root of $f(v)$ has been found the gross yield, $y$, convertible half-yearly, is obtained from

$$y=200(1/v^{k}-1) \text{ per cent.}$$

where $k$ is the frequency of coupon payment per year."

### USE OF PROCEEDS

The net proceeds of the issue of the Stock will be transferred to the Reserve Bank of Australia and thereby added to Australia's international reserves. The Australian currency equivalent of these proceeds will be paid into the Loan Fund and will be used under the authority of the States Grants (Tertiary Education Assistance) Act 1981 for making grants of financial assistance to the States and the Northern Territory in relation to tertiary education or for reimbursing the Consolidated Revenue Fund in respect of such grants and under the authority of the Housing Assistance Act 1981 for reimbursing the Consolidated Revenue Fund in respect of financial assistance to the States and the Northern Territory in relation to housing.

### STOCK EXCHANGE DEALING

The Stock will be dealt in on The Stock Exchange in the Gilt-edged market and will normally be traded for settlement and delivery on the dealing day after the date of the transaction. The price of the Stock will be quoted inclusive of accrued interest.

It is expected that dealings on The Stock Exchange will begin on Friday, 23rd July, 1982 (at seller's risk) for deferred settlement on Thursday, 29th July, 1982.

### CURRENT UNITED KINGDOM TAXATION

In the case of interest payable in respect of the Stock, United Kingdom income tax will be deducted from each payment except that, under current Inland Revenue practice, payments will be made gross to persons whose registered addresses are outside the United Kingdom provided that the payments are made direct to an address abroad other than to a branch of a United Kingdom company, the registrar for the Stock does not recognise such person as a resident of the United Kingdom for tax purposes and such payments are not to or for the account of a resident of the United Kingdom for tax purposes. Persons who are not resident in the United Kingdom for tax purposes may apply, by sending a claim form A3 to the Inspector of Foreign Dividends, for exemption from United Kingdom income tax on grounds of non-residence.

In addition, under current Inland Revenue practice, a bank in the United Kingdom recognised as such by the Inland Revenue may receive interest payments without deduction of tax if it certifies on the occasion of each such payment that it owns the underlying Stock and is beneficially entitled to the interest.

Stockholders who are liable to United Kingdom tax on capital gains should note that the provision in Section 67 of the Capital Gains Tax Act 1979 which exempts from tax capital gains on Gilt-edged securities (as defined for such purposes) held for more than 12 months will not apply to the Stock.

### GENERAL INFORMATION

**Underwriting Arrangements**

By an Underwriting Agreement dated 19th July, 1982, S. G. Warburg & Co. Ltd., County Bank Limited, Hill Samuel & Co. Limited, Kleinwort, Benson Limited, Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited (the "Underwriters") have agreed with Australia to underwrite the issue of the Stock. The Underwriting Agreement is subject to certain conditions and S. G. Warburg & Co. Ltd., on behalf of the Underwriters, may in certain circumstances terminate the Underwriting Agreement. If the Underwriting Agreement is so terminated or the Underwriting Agreement does not become unconditional, acceptances of applications for the Stock will become void.

Australia has agreed to pay to the Underwriters commissions aggregating 125p per £100 of Stock for their services as managers and underwriters of the issue out of which will be paid commissions to the brokers to the issue (Rowe & Pitman, Phillips & Drew and R. Nivison & Co.) and certain other persons who have accepted sub-underwriting participations in respect of the issue of the Stock. Australia will also pay brokerage of 12½p per £100 of Stock to recognised Banks or Stockbrokers on allotments made in respect of applications on forms bearing their stamp; this commission will not, however, be paid in respect of any allotment which arises out of an underwriting commitment. The expression "recognised Bank or Stockbroker" shall mean any organisation which is a recognised bank for the purposes of the Banking Act 1979 and any firm of stockbrokers which is a member of The Stock Exchange and such other banks and brokers as S. G. Warburg & Co. Ltd. shall at its absolute discretion determine for the purpose of the issue. The total expenses of the issue (including the above-mentioned commissions but excluding brokerage) are estimated to amount to about £1,350,000 and are payable by Australia.

**Documents for Inspection**

Copies of the following documents will be available for inspection at the offices of Slaughter and May, 35 Basinghall Street, London EC2V 5DB during normal business hours until 3rd August, 1982:—

(i) the Underwriting Agreement referred to above;

(ii) a draft, subject to modification, of the Deed Poll referred to above; and

(iii) extracts from the following statutes and other documents relating to the issue of the Stock: Australian Constitution, Financial Agreement, Financial Agreement Validation Act 1929, Financial Agreement Act 1928, Financial Agreement Act 1976, Standing Resolution (1956) by the Australian Loan Council, Loans Securities Act 1919, Acts Interpretation Act 1901, State Grants (Tertiary Education Assistance) Act 1981, Housing Assistance Act 1981 and a certified copy of a Federal Executive Council Minute containing recommendations approved on Wednesday, 19th May, 1982 by the Governor-General of Australia acting with the advice of the Federal Executive Council.

**General**

No person is authorised to give any information or to make any representation not contained in this Prospectus; and any information or representation not contained herein must not be relied upon as having been authorised by Australia or by any of the Underwriters. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy the Stock in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

Copies of the Prospectus and application form may be obtained from:—

The office of the Australian High Commission, Australia House, The Strand, London WC2B 4LA.

S. G. Warburg & Co. Ltd., 30 Gresham Street, London EC2P 2EB.

Rowe & Pitman, City-Gate House, 39-45 Finsbury Square, London EC2A 1JA.

Phillips & Drew, Lee House, London Wall, London EC2Y 5AP.

R. Nivison & Co., 25 Austin Friars, London EC2N 2JB.

Lloyds Bank Plc, Issue Section, 111 Old Broad Street, London EC2N 1AU.

Lloyds Bank Plc, 131 George Street, Edinburgh EH2 4LQ.

## APPLICATION FORM

**The application list will open at 10.00 a.m. on Thursday, 22nd July, 1982, and close later on the same day.**
**This form must be lodged with Lloyds Bank Plc, Issue Section, 111 Old Broad Street, London EC2N 1AU.**

### COMMONWEALTH OF AUSTRALIA

**ISSUE ON A YIELD BASIS OF £100,000,000 LOAN STOCK 2010**

Payable as follows: On application, £20 per cent. On or before 28th October, 1982, the balance of the issue price

To: Lloyds Bank Plc, Issue Section, 111 Old Broad Street, London EC2N 1AU.

In accordance with the terms of the Prospectus dated 20th July, 1982, I/we request you to allot to me/us Stock as set *out below:*

| Principal amount of the Stock applied for | Amount enclosed at £20 per cent. of the principal amount applied for |
|---|---|
| £ | £ |

**I/We enclose a cheque* in the amount set out in the right hand box above.**

I/We undertake to accept the amount of Stock applied for or any lesser amount that may be allotted in respect of this application and to pay for the same in conformity with the terms of the said Prospectus.

Please pin cheque here

I/We request that any letter or allotment in respect of the Stock allotted to me/us be sent to me/us by first class post at my/our risk at the address shown below. *I/We agree that this application shall be irrevocable. I/We understand that the* completion and delivery of this form accompanied by my/our cheque constitutes a representation that my/our cheque will be honoured on first presentation. I/We hereby engage to pay the balance payable on the Stock by Thursday, 28th October, 1982 on any allotment made to me/us in respect of this application and I/we understand that failure to pay such balance by the due date will render the amount previously paid liable to forfeiture and the allotment liable to cancellation and that interest at the rate of two per cent. above the Base Rate for the time being of Lloyds Bank Plc may be charged on such balance if accepted after its due date and that Australia may, without prejudice to any other rights, in default of payment, sell the Stock fully paid for its own account. I/We acknowledge that any allotment letter is liable to be held pending clearance of such remittance and allotment.

I/We hereby request that any allotment of Stock to me/us be evidenced by an allotment letter addressed to me/us and be sent by post at my/our risk to me/us at the first address shown below.

*A separate cheque must accompany each application form. Cheques should be made payable to "Lloyds Bank Plc" and crossed "Australia Loan".

*Date* .................................... *1982.*

Please use BLOCK LETTERS

*(1) Usual Signature* ....................................
*In the case of a corporation, the common seal must be affixed or this form signed by a duly authorised officer who must state his capacity.*

*Forenames* ....................................
*Surname* ....................................
*(also state designation: Mr., Mrs., Miss or title)*
*Address in full* ....................................

*(3) Usual Signature* ....................................
*Forenames* ....................................
*Surname* ....................................
*(also state designation: Mr., Mrs., Miss or title)*
*Address in full* ....................................

**Joint Applicants (if any):**
*In the case of joint applicants all must sign.*

*(2) Usual Signature* ....................................
*Forenames* ....................................
*Surname* ....................................
*(also state designation: Mr., Mrs., Miss or title)*
*Address in full* ....................................

*(4) Usual Signature* ....................................
*Forenames* ....................................
*Surname* ....................................
*(also state designation: Mr., Mrs., Miss or title)*
*Address in full* ....................................

**FOR OFFICE USE ONLY**

1. Acceptance No.
2. Amount of Stock accepted £
3. Amount received on application £
4. Amount payable on Stock accepted £
5. Amount returned £
6. Balance payable £
7. A/L No.
8. Cheque No.

**Stamp of bank or broker claiming brokerage (if any)**

# COMMODITIES AND AGRICULTURE

## Cocoa values at 12-month low

By Richard Mooney

RISING STERLING and disappointment at the outcome of last week's council meeting of the International Cocoa Organisation (ICCO) depressed values on the London cocoa futures market yesterday.

These factors were enough to outweigh the announcement of record West German second quarter cocoa bean grindings and push the September position £30 lower at £866.50 a tonne—the lowest level since June 1981.

The ICCO talks in London were adjourned on Friday night without reaching a decision on measures to boost depressed prices.

Producers had proposed using a $75m loan secured by the organisation recently to fund the purchase of 150,000 tonnes of cocoa on deferred payment terms, lifting the buffer stock to the trigger level of 250,000 tonnes, at which export quotas could be introduced. Used for direct buying the money would yield less than 50,000 tonnes of cocoa at current prices.

But the consumers said they had not been given sufficient time to study this proposal, which would have meant the immediate purchase of 60,000 tonnes from the four main producers, with another 90,000 to follow later.

tember 27.

buffer stock manager should have completed on the costs of the scheme.

West German April-June grindings totalled 39,850 tonnes, according to the National Confectionary Association.

## Sarawak pepper exports rise

KUALA LUMPUR — Pepper exports from the East Malaysian state of Sarawak rose to 1,710 tonnes in January from 1,216 tonnes in December, but were lower than 2,654 tonnes in January 1981, the Pepper Marketing Board said.

In January, Singapore took 1,146 tonnes, Japan 333, Taiwan 109 and other countries 122 tonnes.

Reuter.

## Whaling ban move hits snag

BY NANCY DUNNE

THE DRIVE towards a ban on commercial whaling could be losing some steam as 38 national delegations attending the annual meeting of the International Whaling Commission in Brighton face the possibility that a moratorium might lead to a walk-out by whaling nations.

Meeting yesterday, the IWC technical committee discussed the possibility of compromise and putting off the vote — if there is to be one — until the end of the week, according to Mr Martin Harvey, Executive Officer of the Commission.

However, if the issue does come to vote, it is likely to pass, said Mr Harvey. The Commission has two new members now, Senegal and Belize, both believed to be heading for the anti-whaling camp, and they, along with traditional opponents plus other new members who oppose the practice, could well make up the three-quarters vote needed to pass the ban.

One factor delaying final consideration of the ban, said Mr Harvey, is funding for whaling research, which is supposed to go forward if a ban is approved. In the past, financing has been mostly provided by the whaling nations, which are unlikely to continue to provide funds in the event of a ban.

The Commission fears a "domino effect" with one nation cutting back on funding and other nations following suit, Mr Harvey said.

None of the ban's proponents has offered a major increase in research or research financing. In fact, the U.S. which has said it would consider economic sanctions if Japan ignores a ban, has actually cut its gray whale research.

As the world's largest whaling nation, Japan is bitterly opposed to the moratorium, and the ban's proponents are seriously worried about the prospect of Japan leaving the commission, just as it is becoming an effective conservation organisation.

British conservationist Joanna Gordon Clark has said that the loss of Japan would seriously weaken the IWC and has advocated allowing Japan some sperm whales and minkes.

Five motions are now awaiting consideration. The U.S. has proposed an indefinite moratorium: British and Australia, a cessation; France, a suspension with no specified time limit, and Seychelles, a negotiated end.

## EEC to take more tapioca

BY LARRY KLINGER IN BRUSSELS

THE EEC yesterday agreed to import up to an extra 500,000 tonnes of Thailand manioc, the tapioca animal feed supplement. The EEC's Council of Agriculture Ministers rejected demands from the Netherlands for the Community to accept an extra 1m tonnes above Thailand's 5m-tonne quota for this year but authorised the European Commission to negotiate with Thailand for up to 500,000 tonnes provided Dutch traders can demonstrate that their is sufficient EEC demand.

The Ministers also stipulated that the final level of extra imports would reflect possible unfilled quotas from other suppliers such as Indonesia, China and Brazil.

The Netherlands have been delaying ratification of the Thai manioc agreement negotiated by the Commission early this year until its traders were given an assurance of increased imports.

Thailand's quota for this year, was expected to have been completely filled by next month and the Dutch argued that without extra imports their feed compounding industry could be in trouble.

Ratification of the Thai agreement is now expected to follow speedily with the Netherlands also winning a concession from its EEC partners to allow the Thai's to ship some of their 1983 quota this year, if it posed no disruption threat to the EEC internal animal feeds market.

## Support buying of London tin

By Our Commodities Staff

SHARPLY FALLING prices prompted the International Tin Agreement buffer stock manager to buy tin on the London Metal Exchange yesterday for the first time in some months. While the London market has remained relatively steady his efforts have been devoted to preventing the Penang price falling below the ITC "floor" level of 29.15 Malaysian ringgits per picul.

But the strength of sterling started a downtrend yesterday that was fuel by chartist sellin gand the cash price had fallen by more than £300 a tonne before the buffer stock manager intervened.

The buying was of three months delivery high grade metal but it also steadied the cash quotation which closed about £100 off the bottom at £6,405 a tonne, down £225 on the day.

Copper was also depressed by sterling's strength and the interruption of morning trading because of a bomb scare was thought to have added to the market's weakness. Cash high grade copper ended the day £8.75 down at £839.50 a tonne.

The recent downward trend in LME warehouse copper stocks was reversed last week with the total rising 1,525 tonnes to 141,950 tonnes. Lead and zinc stocks also rose, by 1,750 tonnes to 104,375 and by 1,025 tonnes to 67,500, but tin stocks were 555 tonnes down at 41,425.

Silver stocks fell 430,000 troy ounces to 36m while aluminium stocks were 600 tonnes up at 217,325, and nickel stocks 234 tonnes up at ...

## Fire damages fishmeal plant

HAMBURG — Fire swept through a fishmeal processing plant in the north German port of Cuxhaven last night, causing several million marks' worth of damage and probably putting the factory out of action for several months, the owners, Vereinigte Fischmehlwerke Unterelbe GmbH said.

Reuter

TROPICAL AGRICULTURE

## Mystery of the monsoon

BY A SPECIAL CORRESPONDENT

THE DELAY in the start of the monsoon in India is causing increasing concern. So, as in 1972 and 1979, the food supplies of hundreds of millions of people hang on the capricious behaviour of these enigmatic weather patterns.

The word monsoon is believed to come from the Arabic word "mousim" eaning season. To meteorologists it has come to define prevailing winds which reverse to bring alternate wet and dry seasons. To the layman it is synonymous with a rainy season.

In fct half the world's population, living in the tropics and sub-tropics, rely on the summer monsoon for much of their life-giving rain. In particular, much of the Indian sub-continent gets at least three-quarters of its rain from this source. So failure of this rainfall is a matter of life and death.

The basic explanation for the monsoon was first proposed by Sir Edmond Halley to the Royal Society in 1686. He suggested that as Asia warms up in the summer it has the effect of drawing huge quantities of moisture northwards from the tropical Indian Ocean. In winter the reverse occurs with the winds blowing from the cold continent to the warm sea.

This simple explanation is only part of the story. The reason why the summer monsoon is so much stronger over India than elsewhere is linked to the controlling influence of the Himalayas and the Tibetan plateau.

What seems to happen is that as the Indian sub-continent and the rest of Asia heats up, the jetstream in the upper atmosphere, which guides weather systems, switches from the south of the Himalayas to the north of Tibet. This is a big shift, and so moist tropical air, with its heavy rain, is drawn further north over India than in other parts of the sub-tropics. But it is the timing of the switch that is crucial to the strength of the monsoon.

The average progress of the monsoon across India seems inexorable. It bursts on the Malabar coast at the end of May and sweeps up across the country to reach New Delhi by the beginning of July. During September, as Asia cools, it starts to retreat, but not until the end of November does it leave the south of the country.

In any one year the movement takes place in fits and starts. Periods of torrential storms are followed by days of sunny weather. More important, from year to year the timing of the start and end of the monsoon varies greatly.

This year the problem is that the onset of the rains has been delayed and so much of the country faces increasingly severe drought. But recent variations in the monsoon have shown how much it can differ from year to year. The abundant rains of 1978 and 1980 straddled a year of drought and great hardship when food-grain production fell by nearly 17 per cent.

Last year it was even more erratic. It started bang on time, reaching New Delhi on June 29. Initially it appear bountiful, but subsequently proved to be patchy with floods and drought occurring in adjacent regions. Jaipur had the worst floods on record, while much of the rest of Rajastan continued to have its third year of drought. It retreated over a month early, so threatening widespread drought, only to produce heavy rains in September which saved much of the harvest.

The result of this erratic behaviour was that the harvest fell short of target with the Punjab and Uttah Pradesh being worst hit. Power cuts had to be instituted to conserve scarce hydroelectric resources for gathering in the harvest. In the end India had to import nearly 3m tonnes of wheat, putting a severe strain on her meagre reserves of hard currency.

Such failures are not new to India. The spectre of famine has haunted the country for centuries. Indeed there is considerable evidence that the monsoon was less reliable before 1920. So India cannot bank on doing as well as we have done in recent decades.

The underlying causes of the wayward behaviour of the monsoon, though the subject of intense study, are not yet understood. Indeed, the monsoon was the subject of the earliest scientific efforts at long-range weather forecasting after the terrible famine of 1878. But the value of being able to predict more accurately its development each year is of immense potential benefit to India.

A number of theories have been advanced. Clearly the amount of moisture transported northwards is influenced by the temperature of the tropical Indian Ocean. So better measurements of this parameter may hold the key to improved forecasts.

More subtle is what controls the timing of the switch of the jetstream back and forth across the Himalayas. The development of the summer weather patterns in middle latitudes seems to play a part in this crucial shift. Both, in turn, may be influenced by such factors as the extent of snow cover over Asia in the previous winter and sea surface temperatures over the North Pacific and North Atlantic.

Whatever the causes, the message is clear. The crucial dependence of India on this single well-defined but little understood seasonal movement of the weather makes the monsoon possibly the single most important challenge for weather forecasters. But until that challenge is met, the monsoon will in Carlyle's words reflect the "mysterious course of Providence."

## Meat co-op rescue plan agreed

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

AFTER A stormy and at times bitter extraordinary meeting of North Devon Meat on Saturday over 1,000 members of the financially embarrassed producers co-operative, mostly farmers, agreed unanimously to support a proposed £2m rescue plan.

They have until August 7 to make their contributions to the trust fund. "The quickest and most painless way will be for farmers to send in livestock and let me deduct their contribution from the amount the stock realises," said chief executive Dick Cawthorne yesterday.

Contributions will be graded according to the amount of trading a contributor does with the company.

Company secretary Brian Rogers has tendered his resignation but Mr Cawthorne remains.

Savings of £1.2m are anticipated in the 37 weeks remaining of the current financial year. The main item will be the saving of £10,000 a week in the wage bill by the dismissal of 109 employees since the end of March.

But the company will still have slaughtering capacity for 1,000 cattle a week, 10,000 sheep and 2,500 pigs. There remains an impressive list of customers still on the books, including the British Army on the Rhine, the United States Forces in the UK, Marks and Spencer, Safeway, ASDA, Waitrose, British Home Stores and West Layton.

The company's activities will be closely monitored by a management committee which will include an experienced financial director. Contributions will be fully protected with two eminent Devon farmers, Lord Clinton, and John Quicke as trustees. But Sir Peter Mills, MP, who presided, made it abundantly clear that unless members show their confidence by providing the money so urgently needed, the doors will close.

## LONDON OIL SPOT PRICES

| | Latest | Change + or — |
|---|---|---|
| CRUDE OIL—FOB ($ per barrel) | | |
| Arabian Light | $31.50-32.10 | −0.42 |
| Iranian Light | $30.50-30.80 | −0.85 |
| Arabian Heavy | $29.50-30.00 | −0.07 |
| North Sea (Forties) | $33.25-33.55 | −0.14 |
| African(Bonny L'ht) | $34.00-33.40 | −0.30 |
| PRODUCTS—North West Europe CIF ($ per tonne) | | |
| Premium gasoline | $340-345 | +0.5 |
| Gas oil | $266-274 | +6.0 |
| Heavy fuel oil | $163-165 | +2.0 |

## GAS OIL FUTURES

After opening unchanged prices fell quickly in thin conditions on bearish crude news and having reached the lows, failed to follow New York prices further down, reports Premier Man.

| Month | Yest'day's close | + or — | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| July | 267.00 | −5.25 | 267.00 |
| August | 273.75 | −5.50 | 280.00-73.00 |
| Sept | 275.75 | −5.00 | 278.75-74.00 |
| Oct | 277.50 | −5.50 | 281.50-76.50 |
| Nov | 279.25 | −5.00 | 282.00-78.50 |
| Dec | 281.00 | −5.00 | 282.50-80.50 |
| Jan | 283.75 | −3.75 | — |
| Feb | 284.50 | −5.50 | — |
| March | 285.50 | −4.00 | — |

Turnover: 2,678 (2,795) lots of 100 tonnes.

## GOLD MARKETS

Gold rose $2½ an ounce from Friday's close in the London bullion market yesterday to finish at $347-348. It opened at $352-352½ and rose to a high of $352½-353, reflecting a weaker dollar and lower U.S. interest rates. However the firmer trend was not maintained and the metal touched a low of $346-346½ before closing slightly above this level.

In Frankfurt the 12½ kilo bar was fixed at DM 27,860 per kilo ($351.94 per ounce) against DM 27,790 ($346.72) previously and closed at $349-350 from $346½-347½.

In Paris the 12½ kilo bar was fixed at FFr 77,000 per kilo ($349.06 per ounce) in the afternoon compared with FFr 76,500 ($346.91) in the morning and FFr 76,000 ($340.51) on Friday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $351.75.

In Zurich gold finished at $348-$351 against $347-347½.

### LONDON FUTURES

| Month | Yest'rday's close | + or — | Business Done |
|---|---|---|---|
| | £ per troy ounce | | |
| August | 200.50-1.00 | −1.500 | 203.40-0.00 |
| Sept'mb'r | 202.00-3.00 | −1.500 | 203.65 |
| October | 203.95-4.95 | −1.225 | 205.15-4.45 |
| November | 205.40-6.80 | −1.250 | — |
| December | 207.50-8.50 | −0.850 | — |
| January | 209.00-10.0 | −0.800 | — |

Turnover: 757 (857) lots of 50 ounces.

| | July 19 | July 16 |
|---|---|---|
| Gold Bullion (fine ounce) | | |
| Close | $347-348 (£199½-200) | $345½-346½ (£200½-201) |
| Opening | $352-352½ (£201½-202) | $343-344 (£199½-200) |
| Morning fixing | $350 (£201½-202) | $345¼ (£200.986) |
| Afternoon fixing | $347.50 (£199.426) | $347 (£201.920) |

Gold Coins July 19

| | | | |
|---|---|---|---|
| Krugrand | $356½-357¼ (£205-205½) | King Sov | $88-90 (£50½-51) |
| ½ Krug | $184-185 (£106¼-106¾) | Victoria Sov | $88-90 (£50½-51) |
| ¼ Krug | $93¾-94¼ (£54-54½) | French 20s | $76-78¼ (£43½-45) |
| 1/10 Krug | $38¼-39¼ (£22-22½) | 50 pesos Mex. | $424-434¼ (£243¾-249½) |
| Mapleleaf | $356½-357¼ (£205-205½) | 100 Cor. Aust. | $338-338¼ (£193¾-197½) |
| New Sov | $82½-83 (£47½-47¾) | $20 Eagles | $390-400 (£224½-230) |


## FINANCIAL TIMES

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## BRITISH COMMODITY MARKET

### BASE METALS

A BOMB SCARE in Plantation House led to disrupted and restricted trading on the London Metal Exchange. COPPER fell to £852.5 owing to nervous selling ahead of the U.S. Mint tender and unsettled LEAD and ZINC which closed at £335 and £424.5 respectively. ALUMINIUM was finally £568.5 and NICKEL £2927.5. TIN came under heavy selling pressure following continued and sizeable selling in Penang overnight. Forward material touched a low of £6590 prior to closing at £6585.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| HighGrde | £ | £ | £ | £ |
| Cash | 852-3 | −.25 | 839-40 | −8.75 |
| 3 mths | 867-.5 | +5.5 | 854.5-5 | −6 |
| Settlem't | 853 | +.5 | — | |
| Cathodes | | | | |
| Cash | 827-8 | +2.75 | 814-6 | −5 |
| 3 months | 847.5-8 | +1.75 | 835-6 | −4.5 |
| Settlem't | 828 | +3 | — | |
| U.S. Prod. | — | | *67-71 | |

Amalgamated Metal Trading reported that in the morning cash high grade traded at £854.00, 53.00, three months £870.00, 69.00, 68.00, 69.00, 69.50, 69.00, 68.00, 67.00, 67.50. Afternoon: Higher Grade three months £864.00, 63.00, 62.00, 62.50, 62.00, 57.00, 56.00, 56.50, 56.00, 55.50, 55.00. Cathodes three months £835.00. Kerb: High Grade: three months £856.00, 55.50, 56.00, 57.00, 57.50, 57.00, 56.50, 56.00, 55.50, 54.50, 54.00, 53.00, 52.00, 53.00, 54.00, 55.00. Turnover: 24,125 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 6440-50 | −162 | 6400-10 | −225 |
| 3 months | 6590-600 | −177 | 6580-90 | −190 |
| Settlem't | 6450 | −160 | — | |
| Standard | | | | |
| Cash | 6440-50 | −162 | 6400-10 | −225 |
| 3 months | 6590-600 | −177 | 6580-90 | −190 |
| Settlem't | 6450 | −160 | — | |
| Straits E. | $29.15 | | | |
| NewYork | | | | |

Tin—Morning: Standard cash £6450, three months £6730, 20, 6700, 6650, 60, 50, 30, 6600, 6590. Afternoon: Standard three months £6620, 6600, 6580, 90, 6600, 6610, 20, 10, 6600, 6580, 40, 20, 30, 40. High Grade three months £6570, 80. Kerb: Standard three months £6550, 45, 40, 50, 60. Turnover: 2,665 tonnes.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 325.5-6.5 | −6.75 | 326.5-7.5 | −5.5 |
| 3 months | 339-.5 | −5 | 339-.5 | −3.5 |
| Settlem't | 326.5 | −5.5 | — | |
| U.S. Spot | | | *26-8 | |

Lead—Morning: Cash £327.00, 26.00, 25.50, three months £343.00, 42.00, 41.50, 41.00, 40.00, 39.50, 39.00, 38.50, 39.00, 38.50. Afternoon: Three months £339.50, 40.00, 41.00, 40.50, 40.00, 39.50, 39.00. Kerb: Three months £339.50, 38.00, 36.00, 35.00, 34.00, 34.50. Turnover: 18,175 tonnes.

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 426-7 | −2 | 419-20 | −8.5 |
| 3 months | 431.5-2 | −3.5 | 425-6 | −7.5 |
| S'ment | 427 | −2 | — | |
| Primw'ts | | | *37-40.5 | |

Zinc—Morning: three months £432.00, 31.00, 32.00, 31.50. Afternoon: Three months £432.00, 33.00, 31.00, 30.00, 28.00, 27.00, 26.00, 25.00, 24.00, 25.00, 24.50. Kerb: Three months £426.00, 25.00, 24.50. Turnover: 7,150 tonnes.

| Aluminm | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 549.5-50.5 | −5.5 | 547-8 | −9.5 |
| 3 months | 569.5-70 | −9 | 567.5-8 | −7.5 |

Aluminium—Morning: Cash £560.00, 49.50, 49.00, 49.50, three months £572.00, 71.00, 70.00, 69.50. Afternoon: Three months £570.00, 69.00, 68.50, 68.00, 67.00, 67.50. Kerb: Three months £567.50, 68.00, 69.00. Turnover: 8,325 tonnes.

Nickel—Morning: Three months £2940, 30. Afternoon: Three months £2910, 20, 15, 20. Kerb: Three months £2925. Turnover: 482 tonnes.

| NICKEL | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| Spot | 2890-900 | −55 | 2895-905 | −35 |
| 3 months | 2920-30 | −46 | 2920-30 | −33.5 |

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

### SILVER

Silver was fixed 4.25p an ounce higher for spot delivery in the London bullion market yesterday at 376.00p. U.S. cent equivalents of the fixing levels were: spot 655.2c, up 16.7c; three-month 677.3c, up 17.1c; six-month 700.0c, up 16.5c; and 12-month 742.4c, up 16.7c. The metal opened at 372-375p (651-654c) and closed at 373-376p (649-653c).

| SILVER per troy oz. | Bullion fixing price | + or — | L.M.E. p.m. Unoffic'l | + or — |
|---|---|---|---|---|
| Spot | 376.00p | +4.25 | 373.5p | +3.5 |
| 3 months | 386.80p | +4.75 | 384.85p | +4.5 |
| 6 months | 397.70p | +4.80 | ...... | |
| 12months | 417.90p | +5.10 | ...... | |

LME—Turnover 63 (71) lots of 10,000 ozs. Morning: Three months 386.5, 87.0, 86.5, 86.3. Afternoon: Three months 383.5, 85.0, 84.0, 84.5, 84.0. Kerb: Three months 383.5, 83.0.

### COCOA

Values opened lower as due following the inconclusive ICCO talks. Prices fell further on fixed selling, reports Gill and Duffus.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| July | 855-57 | −21.5 | 865-56 |
| Sept | 866-67 | −30.0 | 889-65 |
| Dec | 910-11 | −27.0 | 928-10 |
| March | 948-49 | −23.0 | 965-47 |
| May | 968-70 | −24.0 | 984-70 |
| July | 985-88 | −22.0 | 996-93 |
| Sept | 1010-11 | −22.0 | 1028-10 |

Sales: 3,826 (2,515) lots of 10 tonnes. ICCO—Daily price for July 19: 68.41 (70.38). Indicator price for July 20: 71.08 (72.07).

### COFFEE

During a featureless day steadier starting influenced opening losses in mixed dealings, reports Drexel Burnham Lambert. Activity was light and in a narrow range whilst physicals were subdued.

| COFFEE | Yest'day's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| July | 1252-60 | −7.5 | 1260-45 |
| Sept | 1110-12 | −4.5 | 1116-07 |
| Nov | 1029-30 | +3.0 | 1032-23 |
| January | 1000-02 | +3.0 | 1004-995 |
| March | 977-79 | +2.5 | 975-73 |
| May | 950-55 | +1.0 | 956-55 |
| July | 945-54 | −1.0 | 951-50 |

Sales: 984 (2,006) lots of 5 tonnes. ICO indicator prices for July 16: (U.S. cents per pound): Comp. daily 1979 115.92 (115.51); 15-day average 117.85 (118.17).

### GRAINS

| | WHEAT | | BARLEY | |
|---|---|---|---|---|
| Mnth | Yesterd'ys close | + or — | Yest'rd'ys close | + or — |
| Sept | 109.95 | −0.35 | 104.15 | +0.05 |
| Nov | 113.55 | −0.35 | 108.05 | −0.05 |
| Jan | 117.40 | −0.25 | 111.50 | −0.10 |
| Mar | 120.50 | −0.25 | 114.95 | — |
| May | 124.00 | −0.25 | 118.05 | — |

Business done—Wheat: Sept 110.05-109.85, Nov 113.80-113.55, Jan 117.40 only, March 120.70 only, May 124.15 only. Sales: 87 lots of 100 tonnes. Barley: Sept 104.10-104.00, Nov 108.05-107.90, Jan 111.50-111.40, March 114.75 only, May 118.05-117.70. Sales: 78 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 98.00, E Mids 99.00. The UK Monetary Co-efficient for the week beginning Monday July 26 (based on HGCA calculations using four days' exchange rates) is expected to remain unchanged.

LONDON GRAINS—U.S. Dark Northern Spring No 1 14 per cent Aug 12.60, Sept 112.20, Oct 113.65, Nov 115 transhipment East Coast sellers. English Feed fob Sept 113.00 East Coast sellers. Maize: French Aug 137 transhipment East Coast. South African White/Yellow Aug/Sept 89.00 seller, Barley: English Feed fob July 104.50 East Coast, Sept 107 East Coast sellers. Rest unquoted.

### RUBBER

The London physical market opened easier, attracted little interest throughout the day and closed dull. Lewis and Peat recorded an August fob price for No. 1 RSS in Kuala Lumpur of 199.0 (199.5) cents a kg and SMR 20 173.0 (173.53.

| No. 1 R.S.S. | Yest'r'ys close | Previous close | Business Done |
|---|---|---|---|
| Aug | 49.00-50.50 | 49.40-50.50 | — |
| Sept | 49.60-50.80 | 50.40-50.80 | — |
| Oct-Dec | 51.50-51.80 | 51.80-51.90 | 52.20-51.20 |
| Jan-Mar | 54.40-54.50 | 54.80-54.90 | 54.80-54.70 |
| Apl-Jne | 57.20-57.30 | 57.20-57.40 | 57.20-57.00 |
| Jly-Sept | 59.90-60.00 | 59.90-60.00 | 59.90-59.60 |
| Oct-Dec | 62.60-62.70 | 62.70-62.90 | — |
| J'n-Mch | 65.10-65.20 | 65.30-65.40 | 65.10 |
| Apl-Jne | 67.50-67.90 | 68.00-68.20 | — |

Sales: 120 (131) lots of 15 tonnes, nil (same) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 48.25p (48.50p): Aug 50.75p (50.50p): Sept 50.75p (same).

### SOYABEAN MEAL

The market opened 50p easier on continued nearby cash pressure, reports T. G. Roddick. Prices remained on the defensive in a narrow trading range.

| | Yesterdys Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| August | 124.50-25.0 | −1.85 | 125.00-24.00 |
| October | 128.30-28.5 | −0.85 | 129.00-28.30 |
| Dec | 132.60-32.7 | −0.90 | 133.00-32.40 |
| Feb | 135.50-36.2 | −1.00 | 136.00 |
| April | 137.50-38.0 | −0.80 | — |
| June | 137.50-39.0 | — | — |
| August | 137.50-41.0 | — | — |

Sales: 64 (34) lots of 100 tonnes.

SOYABEAN OIL—The market opened unchanged and drifted on light trade selling. Closing prices and business done (U.S. $ per tonne): Aug 486, 492, untraded; Oct 485, 486, untraded; Dec 485, 486, 486-485.5; Feb 491, 492, 493-492.5; April 494, 498, untraded; June 500, 510, untraded; Aug 505, 520, untraded. Sales: 30 lots of 25 tonnes.

### SUGAR

LONDON DAILY PRICE—Raw sugar £119.00 (£124.00) a tonne cif July-Aug-Sept shipment. White sugar daily price £145.00 (£154.00).

The market was immediately offered down at the opening and remained under pressure throughout the day, reports C. Czarnikow.

| No. 4 Contract | Yesterday close | Previous close | Business done |
|---|---|---|---|
| | £ per tonne | | |
| Aug | 114.55-15.00 | 124.00-24.50 | 124.00-14.00 |
| Oct | 120.65-20.70 | 131.80-31.85 | 132.00-20.20 |
| Jan | 124.00-27.00 | 136.00-48.00 | 130.00 |
| March | 132.05-32.25 | 142.25-42.40 | 142.00-32.00 |
| May | 135.00-35.50 | 145.00-45.40 | 140.50-38.00 |
| Aug | 139.00-40.00 | 148.00-51.00 | 145.00-44.00 |
| Oct | 143.75-44.00 | 152.75-8.00 | — |

Sales: 4,217 (4,057) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £226.50 (£231.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for July 16: Daily price 8.60 (same); 15-day average 7.91 (7.79).

### WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close in order: buyer, seller, business). New Zealand cents per kg. Aug 369, 380, nil: Oct 390, 394, 392-391: Dec 400, 404, 401-400; Jan 401, 407, 402-401: March 413, 418, 413; May 424, 428 nil; Aug 435, 440, 438-435; Oct 436, 442, 437; Dec 438, 444, 439; Jan 438, 448, 441-440. Sales: 25.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. July 559.0, 559.9, 559.9-558.9; Oct 517.0, 518.0, 517.0: Dec 521.0, 521.0, 521.0-520.0; Mar 528.0, 529.0, 528.0; May 531.0, 533.0, 531.0-530.0: July 539.0, 540.0, untraded; Oct 536.0, 537.0, untraded; Dec 538.0, 540.0, untraded. Sales: 49.

### COTTON

LIVERPOOL—No spot or shipment sales were registered. The week started disappointingly, with little interest displayed by customers, although the major spinning centres were back from their holidays. Minimal activity was in evidence, and only occasional inquiry was received, usually for Middle Eastern growths.

## PRICE CHANGES

In tonnes unless otherwise stated.

| | July 19 1982 | + or — | Month ago |
|---|---|---|---|
| Metals | | | |
| Aluminium | £810/815 | ...... | £810/815 |
| Free Mkt | $950/980 | −15 | $880/910 |
| Copper | | | |
| Cash h grade | £839.5 | −8.75 | £690.25 |
| 3 mths | £854.75 | −6 | £711.75 |
| Cash Cathode | £815 | −5 | £685.50 |
| 3 mths | £835.5 | −4.5 | £705.50 |
| Gold troy oz | $347.5 | +2.5 | $295 |
| Lead Cash | £327 | −3.5 | £282 |
| 3 mths | £339.25 | −3.5 | £292.5 |
| Nickel | £4080 | ...... | £3932 |
| Free mkt | 228/238c | −2 | 236/266c |
| Platin'mtr oz'y | £260 | ...... | £260 |
| Freemkt | £159.25 | −0.25 | £141.15 |
| Quicksilver† | $360/370 | ...... | $370/380 |
| Silver troy oz | 376.00p | +4.25 | 285.10p |
| 3 mths | 386.80p | +4.75 | 294.00p |
| Tin Cash | £6405 | −225 | £6295 |
| 3 mths | £6585 | −190 | £6367.5 |
| Tungsten22.01lb | $109.48 | ...... | $110.92 |
| Wolfrm 22.4(0bs) | $115/119 | ...... | $113-116 |
| Zinc Cash | £419.5 | −8.5 | £370.5 |
| 3 mths | £425.5 | −7.5 | £373.5 |
| Producers | $800 | ...... | $800 |
| Oils | | | |
| Coconut (Phil) | $475x | +3 | $490 |
| Groundnut | $565v | −5 | $575 |
| Linseed Crude | £353 | ...... | $365 |
| Palm Malayan | $410z | +2.5 | $477.5 |
| Seeds | | | |
| Copra Ph lip | $320v | +5 | $330 |
| Soyabean (U.S.) | $287 | ...... | $256.5 |
| Grains | | | |
| BarleyFut. Nov | £108.05 | −0.05 | £104.45 |
| Maize | £137w | ...... | £137.00 |
| Wheat Fut.Nov | £113.55 | −0.35 | £107.80 |
| No.2HardWint | ‡ | | ‡ |
| Other commodities | | | |
| Cocoa ship't* | £902 | −30 | £909 |
| Future Sept | £866.5 | −30 | £878.5 |
| Coffee Ft' Sept | £1111 | −4.5 | £1,134 |
| Cotton A.Index | 78.70c | ...... | 74.75c |
| Gas Oil Aug | $273.75 | −5.5 | $276 |
| Rubber (kilo) | 48.25p | +0.25 | 46p |
| Sugar (Raw) | £112vy | −5 | £95 |
| Woolt'ps 64s kl. | 385p kilo | ...... | 388pkilo |

‡ Unquoted. x Aug-Sept. v July-Aug. w Aug. y Sept. † Per 15 lb flask. * Ghana cocoa. n Nominal.

### INDICES

FINANCIAL TIMES

| July 16 | July 15 | M'th ago | Y'ar ago |
|---|---|---|---|
| 235.24 | 235.36 | 222.74 | 262.75 |

(Base: July 1 1952 = 100)

REUTERS

| July 17 | July 16 | M'th ago | Y'ar ago |
|---|---|---|---|
| 1567.6 | 1574.1 | 1490.6 | 1703.6 |

(Base: September 18 1931 = 100)

MOODY'S

| July 16 | July 15 | M'th ago | Y'ar ago |
|---|---|---|---|
| 1003.0 | 1006.0 | 964.9 | 1068.2 |

(December 31 1931 = 100)

DOW JONES

| Dow Jones | July 16 | July 15 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 126.59 | 126.38 | 119.12 | — |
| Futr's | 127.59 | 126.13 | 117.14 | — |

(Base: December 31 1974 = 100)

### JUTE

JUTE—C and f Dundee BWC £260, BWD £228, BTB £297, BTC £266, BTD £232; c and f Antwerp BWC £263, BWD £233, BTB £300, BTC £270, BTD £236; c and f Dundee Aug 40 in 10 oz £10.92, 40 in 7½ oz £8.38; B Twills £32.68.

### TEA AUCTIONS

LONDON TEA AUCTION—25,178 packages were on offer at yesterday's auction, including 2,480 packages of offshore teas. A strong demand prevailed. Bright liquoring East Africans met keen competition and generally put on 2-4p, while mediums remained fully firm. Central African CTCs also sold readily and often advanced. The last Bangladesh teas of the old season came in for much improved demand, 6-8p higher. Caylons opened strongly at firm rates but plainer types closed lower. Offshore teas were well supported and brighter types tended dearer. Quotations: quality 128p a kg (136p), medium 110p a kg (108p), plain no quotation (no quotation).

### POTATOES

LONDON POTATO FUTURES—Rising prices in a thin market triggered stop-loss buying, putting all positions sharply higher, which attracted fresh selling to trim the gains, reports Coley and Harper. Closing prices: Nov 58.90, +3.00 (high 58.90, low 55.00); Feb 65.00, +1.90 (high 65.50, low 63.10); April 73.10, +2.10 (high 74.00, low 70.30); May 83.40, +3.90 (high 84.50, low 79.00); Nov 66.10, +2.10, untraded. Turnover: 458 (286) lots of 40 tonnes.

### MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 78.7 to 83.0; Ulster hindquarters 82.0 to 84.0, forequarters 59.3 to 61.3. Veal: Dutch Hinds and Ends 119.0 to 123.5. Lamb: English small 66.7 to 64.0, medium 57.0 to 62.0, heavy 50.0 to 54.0; Scotch heavy 50.0 to 52.0; Imported—New Zealand PL 61.3 to 52.0; Imported—New Zealand PL 61.3 61.0, YL 60.0 to 61.0. Pork: English, under 100 lb 35.0 to 53.5, 100-120 lb 42.0 to 52.0, 120-160 lb 40.7 to 49.3.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 100.11p per kg lw (−0.67). GB—Sheep 127.83p per kg est dcw (−10 23). GB—Pigs 70.94p per kg lw (−1.87).

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £5.00-£5.60, codlings £3.60-£4.50; large haddock £4.30-£4.50, medium £3 40-£4.30, small £1.40-£2.20; large plaice £4.60-£5.80, medium £3.50-£5.40, best small £2.50-£4.40; skinned dogfish (large) £9.00-£11.00, (medium) £7.50-£8.50; lemon soles (large) £8.50, (medium) £6.00; rockfish £1.90-£2.00; saithe £1.40-£1.60.

## AMERICAN MARKETS

NEW YORK, July 19.

The precious metals and copper came under pressure on the lack of reaction to Prime Rate cuts. Sugar continued under pressure on heavy commission house liquidation. Disappointment with the ICCO meeting forced aggressive selling in cocoa. Coffee came under pressure from trade selling. Cotton sold off on the lack of foreign demand, reported Heinold.

††Cocoa—July 1304 (1339), Sept 1344 (1399), Dec 1411, March 1489, May 1543, July 1586, Sept 1629. Sales: 4,880.

Coffee—"C" Contract: July 137.65-137.85 (138.32), Sept 124.15-124.30 (124.98), Dec 117.30-117.35, March 113.00, May 108.50-108.75, July 107.00-107.25, Sept 105.00-106.00, Dec 105.00-105.01. Sales: 676.

*Gold—July 345.1 (349.9), Aug 346.0-247.0 (351.5), Sept 350.3, Oct 353.0-354.6, Dec 361.0-362.5, Feb 369.6, April 377.5, June 385.5, Aug 393.6, Oct 401.9, Dec 410.3, Feb 418.8, April 427.4. Sales: 30,000.

Heating Oil (cents per U.S. gallon)—Aug 8.60-88 95 (91.52), Sept 88.20-88.51 (91.15), Oct 88.48, Nov 89.75-89.85, Dec 90.35-90.80, Jan 90.00, Feb 90.95, March 90.00, April 88.90, May 88.50-89.00.

*Platinum—July 285.8 (294.2), Oct 294.0-296.0 (302.7), Jan 303.5, April 311.7, July 319.6. Sales: 1,465.

Potatoes (round whites)—Nov 72.4-73.5 (72.0), Feb 72.0-72.5 (72.5), March 86.5, April 96.0-96.2. Sales: 364.

¶Silver—July 649.6 (660.5), August 651.5 (653.0), Sept 659.0-661.0, Dec 683.0-685.0, Jan 691.4, March 707.4, May 723.4, July 739.4, Sept 755.4, Dec 779.4, Jan 787.4, March 803.4, May 819.4. Handy and Harman bullion spit: 651.00 (640.00). Sales: 4,000.

Sugar—No. 11: Sept 8.10-8.11 (8.84), Oct 8.26-8.20 (8.95), Jan 8.93, March 9.33, May 9.65, July 9.83, Sept 10.13, Oct 10.23. Sales: 8,434.

Tin—520.00-528.00 (530.00-536.00).

CHICAGO, July 19.

Lard—Chicago loose 22.50 (same).

Live Cattle—August 64.35-64.50 (64.80), Oct 62.90-63.00 (63.35), Dec 62.85-62.75, Feb 61.80-61.85, April 61.70-61.65, June 62.40, August 62.00.

Live Hogs—July 61.05-61.10, August 59.15-59.30, Oct 56.65-56.75, Dec 56.35-56.25, Feb 53.95-54.00, April 50.35, June 51.40, July 51.15, August 49.90.

‡‡Maize—July 269½-269 (273), Sept 262¾-262¾ (264¾), Dec 260¼-260¾, March 274¾-275, May 283¾-284, July 289¾-290.

Pork Bellies—July 76.50-76.30 (77.35), August 73.30-73.10 (74.35), Feb 71.95-72.40, March 71.70-71.07, May 69.60-69.20, July 69.90-70.00, August 68.50.

†Soyabeans—July 616 (625¼), Aug 615-615¾ (623¼), Sept 612-612½, Nov 614-614½, Jan 629¼-629¾, March 645¼, May 658, July 669, Aug 673.

‖Soyabean Meal—July 180.5 (182.6), Aug 179.3-179.1 (181.6), Sept 178.5, Oct 178.2, Dec 182.3-182.5, Jan 185.0, March 188.5-189.0, May 193.5-194.0, July 197.0-198.0.

Soyabean Oil—July 18.57 (18.73), Aug 18.52-18.53 (18.74), Sept 18.62, Oct 18.73, Dec 19.02, Jan 19.25, March 19.63, May 19.98, July 20.15-20.16.

†Wheat—July 338¼ (342), Sept 350¾-350¼ (353¼), Dec 372¾-372¾, March 388½-388¾, May 396½, July 398.

WINNIPEG, July 19.

§Barley—July 123.9 (123.9), Oct 114.8 (115.9), Dec 116.8, March 122.0, May 122.7.

• All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

## EUROPEAN MARKETS

ROTTERDAM, July 19.

Wheat—(U.S. $ per tonne): U.S. No. 2 Red Winter July 145. U.S. No. 3 Amber Durum Aug 172, Sept 175, Oct 179, Nov 183, Dec 187. U.S. No. 2 Northern Spring, 14 per cent, Aug 176.50, Sept 177, Oct 180, Nov 182. Canadian Western Re Spring spot 191, Sept 193, Oct 196, Nov 202.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow Gulfports Aug 251.50, Sept 251.75, Oct 244.75, Nov 244.75, Dec 249.25, Jan 255.50, Feb 260.50, March 263.50, April 266.60 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 202, July 210, Aug 212, Sept 217, Oct 219, Nov/March 226 sellers. Pellets Brazil afloat 216, July 218, mid-July/mid-Aug 218.50, Aug 218, Sept 223.50, Oct 229, Nov/March 244 sellers.

PARIS, July 19.

Cocoa—(FFr per 100 kg): July 1010 asked, Sept 1038-1039, Dec 1091-1100, March 1137-1150, May 1170-1184, July 1225 asked, Sept 1260 asked. Sales at call: 3.

Sugar—(FFr per tonne): Oct 1615-1620, Nov 1610-1620, Dec 1600-1613, March 1680-1685, May 1740 asked, July 1770 asked, Aug 1785 asked, Oct 1620 asked. Sales at call: 14.

## Australian wool forecast maintained

SYDNEY — The Wool Production Forecasting Committee said it estimated Australian wool output at 708.9m kilos greasy in the 1982-83 season to June 30, little changed from its preliminary estimate made in May of 712m kilos.

The latest forecast comprises 652.7m kilos shorn wool (654.0m) and 56.2m kilos dead and fell-mongered wool (58m).

Reviewing the 1981-82 season, the committee said production was higher than expected at 710.8m kilos.

In May, the committee had seen 1981-82 production totalling 693.3m kilos but a spokesman said the lack of autumn and winter rain in northern New South Wales and Queensland had allowed uninterrupted shearing to increase deliveries to store.

The 1981-28 season total comprised 655.9m kilos shorn wool and 54.9m dead and fell mongered.

Reuter

# Morton-Norwich and Thiokol to merge

BY PAUL TAYLOR IN NEW YORK

MORTON-NORWICH, the U.S. salt and household goods manufacturer, and Thiokol, the chemicals and rocket propulsion systems company, are to merge to form Morton-Thiokol, with annual sales of $2bn.

Morton-Norwich is cash-rich following the sale of its pharmaceuticals division to Procter and Gamble earlier this year. It is making a cash tender offer of $50 a share for 5.7m common shares in Thiokol, which will give it a 49.5 per cent stake for $285m.

As part of a series of other share deals, Morton-Norwich will make a tender offer for at least $70m of its common stock.

This is to be followed by a merger of Thiokol and a subsidiary of Morton-Norwich in which Thiokol shareholders will be offered shares in Morton-Norwich in return for their own common stock.

Under the provision of the agreement, which has to be approved by shareholders meeting of both companies in September, the new company will also have the option to buy up to 1m additional shares of its common stock.

Morton-Norwich has been looking for a possible merger or purchase since it completed the sale of Norwich-Eaton Pharmaceuticals for $371m to Procter and Gamble last month. That move triggered a row with Rhone-Poulenc, which was eventually resolved by the French company selling its 20.3 per cent stake in Morton back to the company for $135m.

The balance of these transactions, topped up with some short-term borrowing, will finance Morton-Norwich's side of the merger.

Mr Charles Locke, chairman and chief executive of Morton-Norwich, will become chairman and chief executive of Morton-Thiokol. Mr Robert Davis, chairman and chief executive of Thiokol, will become president and chief operating officer.

The two men yesterday said the company would be a market leader in speciality chemicals, salt and household products and high technology propulsion systems.

It would be the world's largest manufacturer of solid fuel rocket motors for such projects as the U.S. space shuttle, the Trident missile and the MX missile.

Morton Salt is a brand leader with sales last year of $320m.

# IBM to raise $500m as U.S. bond rates ease

BY DAVID LASCELLES IN NEW YORK

IBM, the giant computer company, yesterday joined the fast-lengthening list of companies hoping to sell debt as the bond market strengthens.

The company plans to issue $500m of 25-year convertible subordinated debentures which will be co-managed by Salomon Brothers and Merrill Lynch White Weld Capital Markets Group. The proceeds will be used to finance construction of facilities and for rental equipment.

The issue adds to the already enormous overhang of proposed debt offerings on Wall Street, many of which belong to the so-called "shelf registration" category which can be brought to market any time.

According to the latest listing by Moody's weekly bond survey, known shelf issues total $11.3bn. These issues will not all come at once—borrowers have up to two years to bring them to market from the date of registration. But dealers say the knowledge that borrowing of this proportion is waiting on the sidelines is bound to have an affect on the bond market.

The issues include $1bn by Dupont, the chemical company which needs to refinance last year's $6.8bn acquisition of Conoco. Other large filings are by Bank of America ($400m), Citicorp ($5000m), General Motors Acceptance ($500m), Manufacturers Hanover ($500m), Merrill Lynch ($300m), Sohio ($500m) and Xerox ($300m).

Two foreign corporations have also filed shelf registrations: NatWest of the UK ($350m) and Swedish Export Development ($500m).

Many of these issuers are watching out for the long-awaited "window" when bond rates come down. However, analysts have warned that there will be such a rush once it opens that it could slam shut quite smartly.

# Good first half for Burroughs

BY PAUL BETTS IN NEW YORK

BURROUGHS, the large computer and business equipment manufacturer, which has sizeably restructured its operations since Mr William Blumenthal, the former Treasury Secretary, took charge as chairman, yesterday reported higher second quarter and first half earnings.

Second quarter earnings advanced 16.6 per cent, from $31.2m to $36.5m, lifting net profits for the first half by 19 per cent, from $53.6m to $63.6m.

Per share earnings were $1.51 against $1.29 for the half-year with 86 cents against 75 cents coming in the latest three months.

The company also said second quarter earnings were reduced by 15 per cent because of new foreign currency translation accounting procedures.

Company revenues were also higher, totalling $1.06bn in the second quarter, compared with $934.6m in the corresponding period last year. First half revenues were $2.05bn compared with $1.59bn in 1981.

The company said incoming orders had improved by 14 per cent in the latest period compared to the second quarter last year and totalled more than $1bn. The company added that it had reduced its debt by $82m and $122m in the second quarter and first half respectively.

Mr Blumenthal said he expected the company to continue to show improvement in its performance during the rest of the year. But he warned that this improvement would hinge in large measure on the general international economic picture and on the impact of foreign currency exchange rates.

# Write-offs push Armco into red

BY OUR NEW YORK STAFF

ARMCO, the fifth largest U.S. steel company, reported yesterday it has written off $118m in the second quarter of this year to cover curtailment of its steelmaking activities and redundancies.

The write-off translated into $63.9m after tax, and has forced the company into the red for the quarter to the tune of $57.4m, or 90 cents a share, compared to a profit of $85.5m or $1.49.

Without the write-off, Armco would have made a modest operating profit of $6.5m or 0.9 cents a share. Sales were $1.46bn compared to $1.73bn.

In a strikingly gloomy assessment, Mr Harry Holiday, chairman, said the recession had been longer and deeper than expected. "Therefore, there is no solid evidence that the second half of this year will bring an economic recovery."

Armco has already decided to slash its proposed $740m capital outlays this year by more than half.

The latest quarter's results bring Armco's first half loss to $39.7m or 64 cents a share compared to a profit of $157.3m or $2.74 a share last year.

# Reynolds Metals back in black

BY OUR FINANCIAL STAFF

REYNOLDS METALS, the second largest aluminium producer in the U.S., bounced back into the black in the second quarter after first quarter losses, but its earnings were still nearly 54 per cent lower than the same period last year.

At the operating net level, Reynolds turned in profits of $20.9m or $1.05 a share against $45.3m or $2.33 a share. Fully diluted earnings were 98 cents a share against $2.11. Sales were 15 per cent lower at $805.4m against $950.2m, while shipments fell to 266,000 tons from $15,000 tons.

This brought an operating net profit of just $7.7m or 35 cents a share in the first half compared with $78.3m or $4.02, on sales of $1.53bn against $1.79bn. First half earnings fully diluted were 35 cents a share against $3.64.

The modest second quarter profits follow a deficit of $13.2m or 70 cents a share in the first quarter on sales 18 per cent lower at $733m.

This year's second quarter figures include a foreign currency translation gain of $15.6m against $16.7m last year, and a first half gain of $13.3m against $25.5m.

The second quarter also includes a gain of $18.5m against $500,000 from Lifo stocks adjustment.

The first half figures exclude, however, a $26.8m gain from the cumulative effect of accounting changes on capitalising interest, and an extraordinary gain of $4.6m from the exchange of stock for debt.

# Luxembourg clarifies position on Ambrosiano

By William Hall, Banking Correspondent

THE Luxembourg banking authorities have declared they have no responsibility for the affairs of Banco Ambrosiano Holding (BAH), the Luxembourg subsidiary of Italy's troubled Ambrosiano group.

Dr Pierre Jaans, Luxembourg's banking commissioner, said yesterday that as Banco Ambrosiano Holding was a Luxembourg holding company and not a bank, his department had no supervisory responsibilities over it. However, he said that he was following events with interest, since several Luxembourg banks had lent money to the company.

Last week several international banks called their loans to Banco Ambrosiano Holding into default, following its failure to meet a $10m interest and principal repayment. Banco Ambrosiano, the Italian parent, is being rescued by six Italian banks, but it is not clear whether they will extend their support to its overseas operations.

The affair is causing concern among international banks and central banks, since it has raised serious questions about the effectiveness of the Basle Concordat—the agreement between central banks about the allocation of supervisory responsibilities when a bank runs into difficulties. The matter is complicated because the Luxembourg operation is not a bank.

Under the Castle Concordat the host authority, in the case of BAH Luxembourg, has "primary responsibility" for foreign subsidiaries but the parent also has a "moral commitment." Many observers believe that the Italian rescue of Banco Ambrosiano should extend to its foreign operations.

# Amca lifts bid for Giddings

By Our Financial Staff

AMCA INTERNATIONAL, the diversified industrial company, is raising its offer for Giddings and Lewis, a Wisconsin-based machine tool group, from $25 to $30 a share. The Giddings board recommends acceptance of the bid, which values the company at $315m.

Amca, formerly known as Dominion Bridge and the Canadian Pacific group's fastest growing affiliate over the past five years, already owns about 4.7 per cent of the 10.5m outstanding Giddings shares and has an option to buy up to 1.92m shares at $30.

Amca earned $70.2m or $2.56 a share on revenues of $1.57bn last year.

# Eurodollar market rallies on money supply figures

BY ALAN FRIEDMAN

THE EURODOLLAR bond market, encouraged by Friday's U.S. money supply figures and falling interest rates, yesterday enjoyed a small rally, in which prices of many fixed-interest bonds were marked up to one point higher.

The six-month Eurodollar deposit rate fell ½ point from Friday's level to close last night at 14⅜ per cent. The D-mark rate fell ½ point to 9⅛ per cent and the Swiss franc rate was nearly ½ point lower at 5⅞ per cent.

The World Bank was still negotiating its planned Eurodollar bond deal, which was understood to be for at least $250m and posible as much as $400m. The deal involves a dollar-Swiss franc currency swap.

The Canadian province of New Brunswick launched a $75m five-year Eurobond yesterday through Credit Suisse First Boston. The paper carries a 15¼ per cent coupon and a price of par.

Following the success of Sumitomo Bank's $50m seven-year Eurodollar bond last week, three other Japanese banks are preparing to launch similar issues. Sumitomo traded yesterday at a discount of less than ½ per cent.

Among the other planned fixed-interest deals are Nippon Credit Bank, expected to be led by Morgan Stanley, and Bank of Tokyo, which has awarded a mandate to S. G. Warburg. The Long Term Credit Bank of Japan is expected to be the last of the new issues, probably through Morgan Guaranty.

All these new Japanese issues are likely to be interest rate swap transactions, in which the borrower ends up paying a floating rate charge while a counterparty of lesser quality takes over the fixed-rate coupon.

In the domestic UK sterling sector, S. G. Warburg launched the widely expected £100m Australian bulldog bond. The 28-year paper will be priced on Wednesday with a margin of 1 per cent above the gross redemption yield of the 13¾ per cent Treasury Stock 2004/08. The bonds will be 20 per cent partly paid on application with the remainder being payable on October 28. The offer is public and the management group includes County Bank, Hill Samuel, Kleinwort Benson, Morgan Grenfell and Schroder Wagg.

In West Germany, where foreign bond prices were marked ½ point higher, the Standard Bank of Johannesburg is placing privately a DM 50m four-year issue through Bayerische Hypotheken-und Wechsel Bank. The South African paper bears a 10¾ per cent coupon, a premium of more than 100 basis points above quality names.

In the Swiss franc bond sector prices were unchanged to slightly better yesterday amid light to moderate trading activity. CFE, Mexico's electric utility, was trading at 96 to 96½ yesterday down ½ point.

In the Euroguilder bond market Amsterdam-Rotterdam Bank is placing privately a Fl 75m five-year issue bearing a 10 per cent coupon. AmRo Bank is also lead-manager.

In the European Currency Unity (ECU) sector, Credit Foncier de France increased its ECU 40m issue to ECU 50m. The seven-year paper bears a coupon of 13¾ per cent at a price of 99½ to yield 13.867 per cent.

# Executive reshuffle at CSFB

BY OUR EUROMARKETS STAFF

CREDIT SUISSE First Boston has moved to fill several key vacancies left by the departure in late April of Euromarket executives. CSFB has also reorganised its syndication and new business activities.

Mr Ruedi Zehnder, currently with Credit Suisse in Zurich, is to join CSFB in London from September as head of the syndication department, reporting to Mr Hans-Joerg Rudloff, CSFB's deputy chairman in charge of all capital market activities.

Mr George Ball, who has been in Geneva for the past year, has joined the London operation as syndicate manager and deputy to Mr Zehnder. He will supervise CSFB's new issue sales force.

Mr John Paton has been transferred from operations to syndication and will handle Eurobond settlement and accounting, along with Mr Kevin O'Neill. Mr Jim Best will act as syndicate and new business liaison with First Boston in the U.S.

Mr Chris O'Malley has arrived from Savory Milln to join CSFB as manager of the sales force. Mr Alan Wilson has been recruited from Continental Illinois to work on interest rate currency swap deals.

Mr Rudloff of CSFB said that in the wake of the April departures "we took the opportunity to look at the department and reorganise it. All bad thanks have a good side and we are pleased with our restructured department."

The four executives who resigned in April to join Lehman Brothers Kuhn Loeb were Mr Jacques Gelardin, Mr Peter Luthy, Mr Craig Anderson and Mr Perry Moncreiffe.

# FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday August 18.

Closing prices on July 19

| U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Aetna Life 15 86/97 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 13.50 |
| Amax Int. Fin. 16⅛ 92 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 16.54 |
| Amax O/S Fin. 14⅛ 89 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 15.25 |
| ATT 14⅝ 89 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 13.09 |
| Baker Int. Fin. 0.0 92 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 14.78 |
| BHP Finance 14⅝ 89 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 15.61 |
| Bk. Amer. NT SA 12 87 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 15.60 |
| Bk. Montreal 14⅞ 87 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 16.22 |
| Bqe. Indo Suez 15 89 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 15.71 |
| British Col. Hyd. 14⅞ 89 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 15.08 |
| Burroughs Int. 15¾ 88 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 15.16 |
| Canada 14⅜ 87 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 14.76 |
| Canadair 15¼ 87 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 15.19 |
| Canadian Pac. 15½ 89 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 15.55 |
| Carolina Power 16½ 89 | 50 | 103 | 103½ | +1½ | +1½ | 15.57 |
| CIBC 16 87 | 100 | 98 | 98½ | +0½ | +0⅛ | 16.48 |
| Citicorp O/S 15 84/92 | 100 | 99⅞ | 100⅜ | +0⅜ | −0½ | 14.78 |
| Citicorp O/S 15½ 85/97 | 125 | 100¼ | 100¾ | +0¼ | −0½ | 15.13 |
| CNA 15⅞ 97 | 75 | 98 | 98½ | +1⅛ | +0¼ | 16.14 |
| Con. Illinois 15¾ 89 | 100 | 98¼ | 98¾ | +0⅝ | +0¼ | 16.06 |
| Duke Pwr. O/S 15½ 89 | 60 | 97¾ | 98¼ | +1⅝ | +1¼ | 15.95 |
| Dupont O/S Cap. 0.0 90 | 300 | 35⅞ | 36¼ | +0⅞ | +0¼ | 14.47 |
| ECSC 14⅞ 87 (April) | 80 | 98¼ | 98¾ | +1⅛ | +0⅞ | 15.15 |
| EIB 15½ 89 | 150 | 99½ | 100 | +0½ | 0 | 15.50 |
| EIB 15½ 92 | 100 | 97⅞ | 98⅜ | — | — | 15.88 |
| Eksportfinans 14½ 89 | 50 | 97⅜ | 98⅛ | +0⅞ | +0½ | 14.98 |
| Gen. Elec. Credit 0.0 92 | 400 | 28 | 28½ | +0⅜ | −0½ | 14.11 |
| Gen. Elec. Credit 0.0 93 | 400 | 24⅝ | 25⅛ | +0⅞ | 0 | 14.06 |
| Getty Oil Int. 14 89 | 125 | 99¾ | 100¼ | +1¾ | +2⅜ | 13.96 |
| GMAC O/S Fin 16 88 | 150 | 102½ | 102¾ | +0¼ | +0¼ | 15.23 |
| GMAC O/S 15¼ 85/97 | 100 | 99⅛ | 99⅝ | +0⅜ | 0 | 15.44 |
| GMAC O/S Fin. 15 89 | 125 | 98⅛ | 98⅝ | +0⅜ | +1½ | 15.36 |
| GMAC O/S Fin. 15 87 | 100 | 100¼ | 100¾ | +0⅜ | +1½ | 14.80 |
| Gulf Canada Ltd 14¾ 92 | 100 | 96¾ | 97¼ | +0½ | +0¼ | 15.32 |
| Gulf Oil 14¾ 94 | 175 | 98¾ | 99¼ | +0⅜ | +1 | 14.42 |
| Gulf Oil Fin 0.0 92 | 300 | 27⅝ | 28⅛ | +0½ | −0¼ | 14.20 |
| Gulf States O/S 16 90 | 60 | †95¾ | 96¼ | +1 | +0¼ | 16.91 |
| Int-Am Dv. Bk. 15¼ 87 | 55 | 98¼ | 98¾ | +0⅜ | −0¼ | 15.48 |
| Japan Dev. Bk. 15½ 87 | 50 | 102⅝ | 103⅛ | +0½ | 0 | 14.52 |
| New Brunswick 16¼ 89 | 75 | 102½ | 103 | +0⅜ | +0½ | 15.49 |
| Ontario Hydro 14¾ 89 | 150 | 98⅝ | 99⅛ | +0½ | +1¼ | 14.98 |
| Pac. Gas & El 15½ 89 | 45 | 102⅛ | 102⅝ | +0⅞ | +0⅜ | 14.86 |
| Phillips Petrol 14 89 | 200 | 96⅞ | 97⅜ | +0⅜ | +1⅞ | 14.66 |
| R.J. Rynlds O/S 0.0 92 | 400 | 27½ | 28 | +0⅜ | −0⅜ | 14.31 |
| Saskatchewan 16 89 | 125 | 102½ | 103 | +0¾ | +0⅜ | 15.25 |
| Shell Canada 14½ 92 | 125 | 96½ | 96¾ | +0⅜ | +1⅜ | 15.05 |
| Spain 15¾ 87 | 100 | 99¼ | 99¾ | +0⅜ | +0¼ | 15.83 |
| Superior O/S Fin 14 89 | 125 | 96⅝ | 97⅛ | +1⅜ | +1½ | 14.73 |
| Swed Exp. Cr 15¼ 89 | 100 | 98½ | 99 | +0⅜ | −0½ | 15.50 |
| Swed. Exp Cr. 14⅜ 90 | 100 | 94⅞ | 95⅜ | +0⅜ | +0⅞ | 15.84 |
| Swed. Exp. Cr. 0.0 94 | 200 | 19¾ | 20¼ | +0⅜ | −0⅜ | 14.83 |
| Texas Eastern 15⅜ 89 | 60 | 100⅞ | 101⅜ | +0⅞ | −0⅜ | 15.44 |
| Union Carbide 14⅜ 89 | 150 | 99⅜ | 99⅞ | +0⅜ | +0¼ | 14.80 |
| Wells Fargo I. F. 15 87 | 75 | 98¾ | 99¼ | +0½ | −0¼ | 15.24 |
| World Bank 14⅜ 87 | 500 | 96⅝ | 97⅛ | +0⅜ | +0⅜ | 15.16 |
| World Bank 15¼ 88 | 250 | 100⅝ | 100⅞ | +0⅜ | +0⅜ | 15.01 |

Average price changes. On day +0⅝ on week +0⅜

| DEUTSCHE MARK STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Asian Dev Bank 9¼ 92 | 150 | 98¼ | 98¾ | 0 | −0½ | 9.48 |
| Australia 9⅜ 91 | 200 | 103¼ | 104 | +0½ | +0⅜ | 8.74 |
| Austria 8⅜ 92 | 100 | 94⅞ | 95⅜ | +0⅜ | −0½ | 9.14 |
| Barclays O/S In. 8¾ 94 | 100 | 95½ | 96 | +0¼ | −0⅝ | 8.97 |
| Bowater Int. Fin. 8½ 89 | 50 | 95¾ | 96¼ | +0⅛ | −0⅛ | 9.31 |
| Canada 8½ 89 | 200 | 102⅜ | 102⅞ | +0¼ | +0⅛ | 8.00 |
| Comp. Tel. Esp. 10½ 92 | 100 | 100½ | 101 | 0 | −0½ | 10.35 |
| Cred. Foncier 8¾ 92 | 100 | 96⅛ | 96⅝ | +0⅛ | 0 | 9.32 |
| Denmark 10⅜ 92 | 100 | 102⅜ | 102⅞ | +0⅛ | −0¼ | 9.68 |
| EDF 9⅞ 92 | 100 | 100⅜ | 100⅞ | +0⅛ | 0 | 9.78 |
| EIB 8⅞ 92 | 100 | 94⅞ | 95⅜ | +0¼ | −0½ | 9.14 |
| Int-Am. Dev Bk. 9 92 | 150 | 97 | 97½ | 0 | −0⅜ | 9.43 |
| Nacnl. Financiera 11 90 | 150 | 96⅞ | 97⅜ | −0⅛ | −0⅜ | 11.58 |
| Norsk Hydro 8½ 92 | 100 | 98½ | 98⅞ | +0⅜ | +0¼ | 8.71 |
| Philips Lamps 8½ 92 | 100 | 98⅜ | 98⅞ | +0¼ | +0¼ | 8.71 |
| Philip Morris 8¾ 90 | 100 | 99¾ | 100¼ | +0⅛ | −0¼ | 8.24 |
| Quebec 10⅛ 92 | 150 | 102½ | 103 | +0⅜ | −0⅜ | 9.67 |
| Renfe 10 92 | 100 | 99⅞ | 100⅜ | +0¼ | −0½ | 9.97 |
| SNCF 8¾ 92 | 100 | 95⅞ | 96⅜ | +0⅛ | −0¼ | 9.23 |
| Tauernautobahn 9⅞ 94 | 50 | 102 | 102½ | 0 | +0⅛ | 9.53 |
| Tenneco Int. 9 92 | 100 | 98⅛ | 98⅝ | +0¼ | 0 | 9.25 |
| World Bank 9½ 89 | 100 | 100⅝ | 101⅛ | 0 | 0 | 9.33 |
| World Bank 8½ 92 | 200 | 95⅜ | 95⅞ | 0 | +0¼ | 9.21 |

Average price changes. On day +0⅛ on week −0⅛

| SWISS FRANC STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Air Canada 6¼ 92 | 100 | 101⅜ | 101⅞ | +0¼ | +0¼ | 6.07 |
| Asian Dev Bank 7 92 | 100 | 101⅞ | 102¼ | 0 | +0⅜ | 6.71 |
| Aucalsa 7¾ 92 | 80 | 98¼ | 98¾ | 0 | +1⅛ | 7.95 |
| Australia 6½ 94 | 100 | 104½ | 104¾ | −0¼ | +0¼ | 5.94 |
| BNP 6¾ 92 | 100 | 97¼ | 97¾ | −0¼ | +0⅞ | 7.13 |
| Cse. Nat. l'Energie 7 92 | 100 | 100⅞ | 101⅛ | 0 | +0⅜ | 6.85 |
| CFE-Mexico 8¾ 92 | 50 | 96 | 96½ | −0½ | −1⅛ | 8.83 |
| Co-op. Denmark 8¾ 92 | 25 | 105⅞ | 105⅝ | +0⅜ | +0½ | 7.64 |
| Crown Zellerbach 6¾ 92 | 100 | 99⅜ | 99⅞ | −0⅜ | +0½ | 6.78 |
| Europarat 7¼ 92 | 100 | 101¾ | 102 | +0⅞ | +1⅜ | 6.98 |
| Ind. Fund Finland 6¾ 92 | 30 | 98½ | 98¾ | 0 | −0¼ | 6.98 |
| Japan Dev. Bank 6 94 | 100 | 100⅝ | 100⅞ | +0¼ | +1⅜ | 5.91 |
| Kobe City 6⅛ 92 | 100 | 100⅜ | 100⅞ | 0 | −0⅛ | 6.02 |
| Kommunlane 7⅛ 92 | 35 | 101⅛ | 101⅜ | +0½ | −0½ | 7.05 |
| Lonrho Int. Fin. 7½ 92 | 80 | 94⅞ | 95½ | −0¼ | −0⅜ | 8.25 |
| Mitsui OSK 6½ 92 | 100 | 100⅛ | 10⅜ | 0 | +0⅞ | 6.46 |
| Nafinsa 8¾ 92 | 80 | 93⅜ | 94¼ | 0 | −1 | 9.19 |
| New Zealand 6 92 | 100 | 101⅜ | 101⅝ | −0⅛ | +0⅜ | 5.79 |
| Philip Morris 6⅝ 92 | 100 | 104¼ | 104¾ | 0 | +1½ | 5.99 |
| Philip Morris 6¼ 94 | 100 | 101⅜ | 101⅞ | 0 | +0⅜ | 6.04 |
| Renfe 7¾ 92 | 80 | 97¼ | 97½ | 0 | +0⅜ | 8.14 |
| Sekisui Pre. 5⅜ 92 WW | 70 | 104⅜ | 104⅝ | +0⅛ | +0⅜ | 5.15 |
| Soc. Lux de Cnt. 8¼ 92 | 80 | 105⅜ | 105⅞ | −0⅜ | +0¼ | 7.20 |
| Svenska Handels. 6¾ 92 | 100 | 97⅞ | 98⅛ | 0 | +0⅜ | 7.03 |
| Tiroler Wasser 6¼ 92 | 100 | 98 | 98⅛ | +0⅛ | +1½ | 6.51 |
| Vorarlberg Kraft 6¾ 92 | 50 | 102½ | 103 | 0 | +0¼ | 6.36 |

Average price changes. On day 0 on week +0½

| YEN STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| EIB 8¼ 92 | 15 | 97 | 97⅝ | −0¼ | −0¼ | 8.65 |
| Int.-Amer Dev. 8⅞ 91 | 15 | 100⅞ | 101⅞ | +0⅛ | −0½ | 8.64 |
| Japan Airlines 7⅞ 87 | 9 | 95⅞ | 96⅛ | +0⅜ | −0⅛ | 9.09 |
| New Zealand 8⅜ 87 | 15 | 99⅝ | 100⅝ | 0 | +0⅛ | 8.34 |
| World Bank 8¼ 92 | 20 | 96⅞ | 98⅛ | +0⅛ | +0¼ | 8.48 |

Average price changes... On day +0⅛ on week 0

| OTHER STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Bell Canada 16 89 C$ | 100 | †97 | 97½ | +0⅛ | 0 | 16.69 |
| Can. Pac. S. 16⅜ 89 C$ | 50 | †98 | 98½ | 0 | +0½ | 16.77 |
| Crd. Foncier 17¼ 89 C$ | 30 | †98½ | 99 | 0 | −0¼ | 17.39 |
| Gaz Metro. 17¼ 90 C$ | 20 | †97¼ | 98 | 0 | +0¼ | 17.76 |
| OKB 16¼ 88 C$ | 63 | †97¼ | 97¾ | 0 | 0 | 16.92 |
| Q. Hyd. 16½ 89 (My) C$ | 50 | †99 | 99½ | 0 | 0 | 16.65 |
| Quebec Prov 16½ 89 C$ | 50 | †99 | 99½ | 0 | 0 | 16.64 |
| U Bk. Nwy. 9½ 90 EUA | 18 | 92⅜ | 93⅞ | 0 | +0⅜ | 10.82 |
| Amro Bank 10 87 Fl | 150 | 100⅝ | 101⅛ | +0½ | +0⅞ | 9.74 |
| Bk. Mees & H 10 87 Fl | 75 | 99⅜ | 99⅞ | +0⅜ | +1 | 10.08 |
| Eurofima 10½ 89 Fl | 50 | 101 | 101½ | +0⅛ | +0⅜ | 10.21 |
| Ireland 10½ 87 Fl | 75 | 98⅜ | 98⅞ | 0 | +0¼ | 10.84 |
| Phil Lamps 10¾ 87 Fl | 100 | 101½ | 102 | +0¼ | +0⅜ | 9.75 |
| World Bank 10 87 Fl | 150 | 98⅝ | 99⅛ | +0¼ | +0¼ | 10.29 |
| OKB 14 86 FFr | 400 | 92⅜ | 93⅜ | +0⅛ | +0¼ | 16.55 |
| Solvay et C. 14¾ 86 FFr | 200 | 93 | 94 | +0⅜ | +0¼ | 17.19 |
| Beneficial 14¼ 90 £ (D) | 20 | 88⅜ | 89½ | +0¼ | +0½ | 16.72 |
| BFCE 14½ 87 £ | 30 | 100½ | 101¼ | +0⅜ | +0⅜ | 14.22 |
| BNP 13½ 91 £ | 15 | 95⅜ | 96¼ | +0⅛ | +0¼ | 14.35 |
| CECA 13½ 88 £ | 20 | 96 | 97 | +0½ | +0⅛ | 14.34 |
| Fin. Ex. Cred. 13¾ 86 £ | 15 | 97⅞ | 98⅞ | +0⅛ | +0½ | 14.28 |
| Gen. Elec Co 12½ 89 £ | 50 | 94½ | 95½ | +0⅜ | +0⅜ | 13.65 |
| Hiram Walker 14¼ 86 £ | 25 | 98⅞ | 99⅞ | +0¼ | +0¼ | 14.41 |
| Norsk Hydro 14½ 87 £ | 30 | 100⅝ | 101⅜ | +0⅞ | +0½ | 14.19 |
| Privatbanken 14½ 88 £ | 12 | 97⅜ | 98⅛ | −0½ | +0⅜ | 15.06 |
| Quebec 15½ 87 £ | 35 | 102⅝ | 103⅜ | +0½ | +0⅜ | 14.43 |
| Reed (Nd) NV 16¾ 89 £ | 25 | 106 | 107 | +1 | +0⅞ | 15.06 |
| Royal Trustco 14 86 £ | 12 | 99½ | 100¼ | +0⅛ | 0 | 14.01 |
| SDR France 15½ 92 £ | 30 | 101⅜ | 102⅛ | +0½ | +0⅜ | 15.10 |
| Swed Ex. Cr. 13¾ 86 £ | 20 | 98¾ | 99⅜ | +0⅛ | +0⅜ | 13.95 |
| Eurofima 10½ 87 LuxFr | 500 | 95⅜ | 96⅜ | +0⅛ | +0⅜ | 11.49 |
| EIB 9¾ 88 LuxFr | 600 | 92¼ | 93⅛ | +0⅛ | +0⅜ | 11.43 |

| FLOATING RATE NOTES | Spread | Bid | Offer | C.dte | C.cpn | C.yld |
|---|---|---|---|---|---|---|
| Allied Irish 6¼ 92 | 0¼ | 98⅛ | 98⅝ | 15/10 | 15.69 | 15.95 |
| Bk. of Tokyo 5¼ 91 (D) | 0⅛ | 99 | 99½ | 8/12 | 15¼ | 15.37 |
| Bk. Nova Scotia 5¼ 93 | 0¼ | 98⅞ | 99⅛ | 29/10 | 15⅜ | 15.30 |
| BFCE 5¾ 88 | 0¼ | 99 | 99½ | 28/10 | 15 | 15.11 |
| BFCE 5¼ 87 | 0¼ | 99⅞ | 99⅝ | 27/7 | 16⅛ | 16.31 |
| Caisse Nat Tele. 5¼ 90 | 0¼ | 99⅛ | 99⅜ | 21/10 | 15⅜ | 15.85 |
| CCCE 5¼ 2002 | 0⅜ | 98⅜ | 98⅞ | 11/12 | 15⅜ | 15.61 |
| CEPME 5¼ 92 | 0¼ | 99⅜ | 99⅞ | 10/12 | 15.44 | 15.52 |
| Chemical NY 5¼ 94 | ‡0¼ | 99¼ | 99⅜ | 23/9 | 16.69 | 16.77 |
| CIBC 5¼ 94 | 0¼ | 98¼ | 98⅜ | 15/1 | 15⅜ | 15.48 |
| Cont Illinois 5½ 94 | ‡0½ | 98⅛ | 98⅞ | 24/9 | 16⅜ | 16.60 |
| Credit Agricole 5¼ 97 | 0¼ | 99 | 99½ | 24/9 | 15.44 | 15.55 |
| Credit du Nord 5¼ 92 | 0¼ | 99½ | 100 | 23/12 | 16.81 | 16.86 |
| Credit Lyonnais 5¼ 97 | 0¼ | 99⅜ | 99¾ | 1/10 | 16 | 16.08 |
| Credit Lyonnais 5¼ 94 | 0¼ | 100¼ | 100⅜ | 1/1 | 16.94 | 16.87 |
| Credit Nat 5¼ 94 | ‡0¼ | 98⅛ | 98⅞ | 9/9 | 14.69 | 14.89 |
| Ireland 5¼ 89/94 | 0¼ | †98¼ | 98¾ | 25/11 | 14¾ | 14.97 |
| Kansallis Osake 5½ 92 | 0¼ | 99 | 99½ | 6/11 | 15.31 | 15.43 |
| Lloyds Eurofin 5¼ 93 | §0¼ | 99½ | 99⅝ | 29/10 | 17⅛ | 17.23 |
| Long Term Cred. 5¼ 92 | 0¼ | 98⅛ | 98⅝ | 29/11 | 14⅝ | 14.89 |
| J P Morgan 5¼ 97 | §0¼ | 99 | 99½ | 12/8 | 14⅝ | 14.74 |
| Nat West Fin 5¼ 91 | §0¼ | 99⅜ | 99⅞ | 15/1 | 15⅜ | 15.31 |
| New Zealand 5¼ 87 | 0⅛ | 99½ | 100 | 7/10 | 15.56 | 15.60 |
| Nippon Credit 5¼ 90 | 0⅛ | 99⅛ | 99⅜ | 10/8 | 16.06 | 16.18 |
| Offshore Mining 5¼ 91 | 0¼ | 98⅞ | 99⅛ | 2/12 | 14.19 | 14.31 |
| PKbanken 5 91 | 0¼ | 99⅛ | 99⅝ | 17/12 | 15.81 | 15.91 |
| Scotland Int 5¼ 92 | 0⅛ | 98⅞ | 99⅜ | 23/9 | 15⅜ | 15.55 |
| Sec Pacific 5¼ 91 | 0⅛ | 99 | 99½ | 24/11 | 15 | 15.11 |
| Societe Generale 5¼ 95 | 0⅛ | 99 | 99½ | 1/9 | 15.31 | 15.43 |
| Standard Chart 5¼ 91 | 0⅛ | 98⅛ | 99⅛ | 18/11 | 14⅞ | 15.04 |
| Sweden 5¼ 89 | 0⅛ | 99¼ | 99⅜ | 26/8 | 15.31 | 15.39 |
| Toronto Domin'n 5¼ 92 | 0¼ | 98⅜ | 98⅞ | 11/8 | 16⅜ | 16.66 |

Average price changes. On day +0⅛ on week +0⅛

| CONVERTIBLE BONDS | Cnv. date | Cnv. price | Bid | Offer | Chg day | Prem |
|---|---|---|---|---|---|---|
| Ajinomoto 5⅛ 96 | 7/81 | 933 | 87⅝ | 89⅛ | +2⅜ | 13.79 |
| Bow Valley Inv 8 95 | 4/81 | 23.12 | 95 | 96½ | +0½ | 60.20 |
| Bridgestone Tire 5½ 96 | 3/82 | 470 | 86 | 87½ | +2⅜ | 2.59 |
| Canon 6¾ 95 | 1/81 | 829 | 87½ | 89¼ | +3⅜ | 20.20 |
| Canon 7 97 | 7/82 | 748.2 | 97⅝ | 99½ | +3¼ | 4.64 |
| Chugai Pharm 7¼ 96 | 7/82 | 709.6 | 104⅜ | 106⅛ | +4⅜ | 12.69 |
| Fujitsu Fanuc 4½ 96 | 10/81 | 5641 | 81 | 83 | +3⅝ | 19.00 |
| Furukawa Elec 5¼ 96 | 7/81 | 300 | 84 | 85½ | +8 | −7.50 |
| Hitachi Cable 5¼ 96 | 2/82 | 515 | 83½ | 85 | +3⅜ | 8.41 |
| Hitachi Cred Cpn 5 96 | 7/81 | 1612 | 76 | 78 | +2 | 18.13 |
| Honda Motor 5½ 97 | 3/82 | 841 | 86⅜ | 88⅜ | +2½ | 9.45 |
| Kawasaki 5⅜ 96 | 9/81 | 229 | 63½ | 65 | +0⅝ | 20.68 |
| Marui 6 96 | 7/81 | 846.4 | 97½ | 98⅛ | +3⅜ | 5.51 |
| Minolta Camera 5 96 | 10/81 | 826.4 | 60½ | 62 | −0½ | 34.50 |
| Minorco 9¾ 97 | 5/82 | 8.16 | †79½ | 81½ | +0½ | 9.95 |
| Murata 5¼ 96 | 7/81 | 2168 | 68 | 69½ | +1½ | 37.12 |
| NKK 6½ 96 | 7/81 | 188 | 72¼ | 73½ | −1 | −19.83 |
| Nippon Chemi-C 5 91 | 10/81 | 919 | †61 | 63 | 0 | 25.33 |
| Nippon Electric 5¼ 97 | 2/82 | 846 | 90½ | 92 | +5 | 13.42 |
| Orient Finance 5¼ 97 | 3/82 | 1205 | 87½ | 89 | +1½ | 9.67 |
| Sanyo Electric 5 96 | 10/81 | 652 | 65½ | 67 | +2 | 19.93 |
| Sumitomo Elec 5½ 97 | 3/82 | 577.3 | 84⅞ | 86⅜ | +3⅛ | 11.77 |
| Sumitomo Met. 5¼ 96 | 10/81 | 296.1 | 62 | 63½ | +1 | 43.20 |
| Swiss Bk Cpn 6¾ 90 | 9/80 | 191 | 74 | 76 | 0 | 32.25 |
| Konishiroku 6 90 DM | 2/82 | 585 | 99½ | 100½ | −0½ | 8.85 |
| Mitsubishi H 6 89 DM | 2/82 | 263 | 89 | 90 | 0 | 36.11 |

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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# NORTH AMERICAN QUARTERLY RESULTS

| AMALGAMATED SUGAR | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 91.8m | 100.5m |
| Net profits | 4.7m | 9.4m |
| Net per share | 2.33 | 4.66 |
| Six months | | |
| Revenue | 176m | 196m |
| Net profits | 8.9m | 17m |
| Net per share | 4.91 | 8.41 |

| BANDAG | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 74.5m | 74.5m |
| Net profits | 7.9m | 7.7m |
| Net per share | 0.87 | 0.84 |
| Six months | | |
| Revenue | 142.8m | 143.2m |
| Net profits | 14.2m | 14.2m |
| Net per share | 1.18 | 1.17 |

| BANK OF NEW YORK | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profits | 17.9m | 12.0m |
| Net per share | 2.49 | 1.70 |
| Six months | | |
| Net profits | 34.3m | 22.8m |
| Net per share | 4.80 | 3.36 |

| BAYBANKS INC. | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profits | 7.58m | 7.09m |
| Net per share | 1.18 | 1.11 |
| Six months | | |
| Net profits | 14.07m | 14.59m |
| Net per share | 2.27 | 2.41 |

| BUTLER MANUFACTURING | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 172.2m | 112.3m |
| Net profits | 4.5m | 4.4m |
| Net per share | 0.83 | 0.80 |
| Six months | | |
| Revenue | 204.1m | 199.3m |
| Net profits | 3.8m | 8m |
| Net per share | 0.70 | 1.62 |

| CENTRAL AND SOUTH WEST CORP. | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 527.3m | 484.4m |
| Net profits | 39.43m | 38.95m |
| Net per share | 0.40 | 0.42 |
| Six months | | |
| Revenue | 986.0m | 881.5m |
| Net profits | 83.63m | 82.19m |
| Net per share | 0.87 | 0.87 |

| COMMUNICATIONS SATELLITE | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 457m | 377.3m |
| Net profits | 10.8m | 6.1m |
| Net per share | 1.35 | 0.77 |
| Six months | | |
| Revenue | 194.4m | 159.5m |
| Net per share | 2.64 | 1.81 |

| CONTINENTAL TELECOM | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 45.7m | 377.3m |
| Net profits | 38.1m | 34.3m |
| Net per share | 0.59 | 0.57 |
| Six months | | |
| Revenue | 389m | 733.8m |
| Net profits | 73.3m | 65.4m |
| Net per share | 1.14 | 1.08 |

| CRANE | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 297.2m | 434.9m |
| Net profits | 3.2m | 11.5m |
| Net per share | 0.37 | 1.45 |
| Six months | | |
| Revenue | 614m | 808.3m |
| Net profits | 2.4m | 25.3m |
| Net per share | 0.24 | 2.41 |

| ETHYL CORP. | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 417.8m | 453.4m |
| Net profits | 27.9m | 24.5m |
| Net per share | 1.39 | 1.24 |
| Six months | | |
| Revenue | 820.3m | 878.8m |
| Net profits | 45m | 45.8m |
| Net per share | 2.25 | 2.30 |

| FIRST CHARTER FINANCIAL | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 283m | 243.8m |
| Net profits | 17.3m | 15.5m |
| Net per share | 0.60 | 0.45 |
| Six months | | |
| Revenue | 578.2m | 495m |
| Net profits | 35.3m | 11.7m |
| Net per share | 1.20 | 0.39 |

| FIRST CITY BANCORP OF TEXAS | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profits | 31.1m | 32.1m |
| Net per share | 1.45 | 1.5 |
| Six months | | |
| Net profits | 63.7m | 64.2m |
| Net per share | 2.06 | 2.13 |

| FIRST NATIONAL BOSTON CORP. | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profits | 28m | 28.7m |
| Net per share | 0.98 | 1.09 |
| Six months | | |
| Net profits | 54.2m | 56.7m |
| Net per share | 2.83 | 3 |

| FRUEHAUF CORPORATION | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 495.8m | 590.8m |
| Net profits | 7.2m | 7.6m |
| Net per share | 0.58 | 0.62 |
| Six months | | |
| Revenue | 977.4m | 1.12bn |
| Net profits | 17.9m | 12.7m |
| Net per share | 1.48 | 1.04 |

| GENERAL SIGNAL | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 432m | 435.4m |
| Net profits | 29.4m | 28.8m |
| Net per share | 1.05 | 1.02 |
| Six months | | |
| Revenue | 863.9m | 867m |
| Net profits | 58.8m | 57.3m |
| Net per share | 2.11 | 2.07 |

| W. W. GRAINGER | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 211.5m | 230.9m |
| Net profits | 13.2m | 14.2m |
| Net per share | 0.62 | 0.67 |
| Six months | | |
| Revenue | 398.9m | 413.1m |
| Net profits | 27.3m | 28.7m |
| Net per share | 1.63 | 1.67 |

| IMPERIAL CORPORATION OF AMERICA | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 143m | 210m |
| Net profits | 11.2m | 1.3m |
| Net per share | 0.79 | 0.09 |
| Six months | | |
| Revenue | 281m | 405m |
| Net profits | 24.5m | 125,000 |
| Net per share | 1.72 | 0.01 |

| KOPPERS | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 442.4m | 538.4m |
| Net profits | 7.6m | 18.1m |
| Net per share | 0.21 | 0.62 |
| Six months | | |
| Revenue | 798.7m | 984.3m |
| Net profits | 3.1m | 12.4m |
| Net per share | 0.28 | 0.31 |

| LIBBEY-OWENS-FORD | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 290.8m | 341.3m |
| Net profits | 9.1m | 17.8m |
| Net per share | 0.71 | 1.51 |
| Six months | | |
| Revenue | [illegible] | [illegible] |
| Net profits | 7.9m | 28m |
| Net per share | 0.49 | 2.13 |

| McGRAW HILL | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 282.4m | 259.5m |
| Net profits | 24.09m | 21.7m |
| Net per share | 0.98 | 0.87 |
| Six months | | |
| Net profits | 44.2m | 39.2m |
| Net per share | 1.77 | 1.58 |

| McLEAN TRUCKING | 1981-2 | 1980-1 |
|---|---|---|
| Fourth quarter | $ | $ |
| Revenue | 134.2m | 189.2m |
| Net profits | 1.3m | 230,000 |
| Net per share | 0.23 | 0.04 |
| 12 months | | |
| Revenue | [illegible] | [illegible] |
| Net profits | 13.4m | 5.2m |
| Net per share | 2.38 | 0.92 |

| NASHUA CORPORATION | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 169.4m | 171.8m |
| Net profits | 223,000 | 6.4m |
| Net per share | 0.05 | 1.38 |
| Six months | | |
| Revenue | [illegible] | [illegible] |
| Net profits | 1.4m | 11.2m |
| Net per share | 0.30 | 2.38 |

| NATIONAL-STANDARD | 1981-82 | 1980-81 |
|---|---|---|
| Third quarter | $ | $ |
| Revenue | 59.3m | 79.8m |
| Net profits | 3.44m | 2.26m |
| Net per share | 0.65 | 0.55 |
| Nine months | | |
| Revenue | [illegible] | [illegible] |
| Net profits | 16.24m | 5.79m |
| Net per share | 11.53 | 1.41 |

| NORTH AMERICAN COAL | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 118.1m | 70.0m |
| Net profits | 6.1m | 11.6m |
| Net per share | 1.85 | 10.47 |
| Six months | | |
| Revenue | 249.7m | 193.8m |
| Net profits | 13.2m | 431,000 |
| Net per share | 3.97 | 0.13 |

| PABST BREWING | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 218.9m | 245.1m |
| Net profits | 371,000 | 3.1m |
| Net per share | 0.04 | 0.39 |
| Six months | | |
| Revenue | 395.2m | 419.9m |
| Net profits | 1.2m | 1.4m |
| Net per share | 0.15 | 0.17 |

| PACIFIC LIGHTING | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 1.01bn | 803.9m |
| Net profits | 32.4m | 32.12m |
| Net per share | 1.21 | 1.25 |
| Six months | | |
| Revenue | 2.18bn | 1.59bn |
| Net profits | 61.25m | 71.27m |
| Net per share | 2.29 | 2.76 |

| POTLATCH CORP | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 205.7m | 238.4m |
| Net profits | 8.13m | 12.68m |
| Net per share | 0.47 | 0.68 |
| Six months | | |
| Revenue | 406.9m | 444.8m |
| Net profits | 12.81m | 20.82m |
| Net per share | 0.74 | 1.12 |

| PPG INDUSTRIES | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 862.1m | 862.9m |
| Net profits | 45.7m | 64.5m |
| Net per share | 1.33 | 1.93 |
| Six months | | |
| Revenue | 1.6bn | 1.7bn |
| Net profits | 68.8m | 119.8m |
| Net per share | 2.04 | 3.58 |

| RAINIER BANCORP | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profits | 8.6m | 11.3m |
| Net per share | 0.91 | 1.21 |
| Six months | | |
| Net profits | 17.4m | 21.1m |
| Net per share | 1.84 | 2.25 |

| RAYTHEON | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 1.42bn | 1.42bn |
| Net profits | 85.8m | 84.0m |
| Net per share | 1.02 | 1.00 |
| Six months | | |
| Revenue | 2.84bn | 2.73bn |
| Net profits | 165.2m | 157.3m |
| Net per share | 1.96 | 1.88 |

| SCOVILL | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 174.7m | 212.5m |
| Net profits | 3.4m | 9m |
| Net per share | 0.36 | 1.05 |
| Six months | | |
| Revenue | 348.2m | 414.5m |
| Net profits | 5.3m | 16.3m |
| Net per share | 0.56 | 1.87 |

| SHERWIN WILLIAMS | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 523.2m | 399.1m |
| Net profits | 18m | 14.8m |
| Net per share | 0.86 | 0.75 |
| Six months | | |
| Revenue | 925.8m | 707.3m |
| Net profits | 19m | 16.4m |
| Net per share | 1.83 | 1.60 |

| SOUTHERN CALIFORNIA EDISON | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 1.06bn | 883.6m |
| Net profits | 108.3m | 96.9m |
| Net per share | 1.15 | 1.13 |
| Six months | | |
| Revenue | 2.16bn | 1.9bn |
| Net profits | 216.1m | 180.1m |
| Net per share | 2.33 | 2.14 |

| SOUTHERN PACIFIC | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 783.9m | 855.6m |
| Net profits | 31.6m | 69.2m |
| Net per share | 1.06 | 1.67 |
| Six months | | |
| Revenue | 1.58bn | 1.63bn |
| Net per share | 1.14 | 2.56 |

| SOUTHWEST FLORIDA BANKS | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profits | 3.84m | 3.70m |
| Net per share | 0.53 | 0.52 |
| Six months | | |
| Net profits | 7.37m | 7.29m |
| Net per share | 1.01 | 1.08 |

| TEXAS COMMERCE BANCSHARES | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profits | 42.4m | 35.5m |
| Net per share | 1.35 | 1.16 |
| Six months | | |
| Net profits | 83.8m | 69.1m |
| Net per share | 2.67 | 2.34 |

| TRANE CO | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 211.7m | 210m |
| Net profits | 10.1m | 11.3m |
| Net per share | 0.99 | 1.11 |
| Six months | | |
| Revenue | 404.7m | 403.5m |
| Net profits | 17.8m | 17.9m |
| Net per share | 1.73 | 1.76 |

| TYLER CORPORATION | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 221.6m | 187.6m |
| Net profits | 3.4m | 8.1m |
| Net per share | 0.36 | 0.85 |
| Six months | | |
| Revenue | 429.0m | 327.0m |
| Net profits | 3.44m | 12.9m |
| Net per share | 0.37 | 1.37 |

| U.S. BANCORP | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profits | 15.4m | 16.5m |
| Net per share | 0.85 | 0.92 |
| Six months | | |
| Net profits | 28.4m | 33.7m |
| Net per share | 1.57 | 1.88 |

| VALLEY NATIONAL | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profits | 11.88m | 14.60m |
| Net per share | 0.70 | 0.87 |
| Six months | | |
| Net profits | 23.13m | 30.11m |
| Net per share | 1.37 | 1.80 |

| VIRGINIA NATIONAL BANK SHARES | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Net profit | 8.15m | 7.64m |
| Net per share | 1.16 | 1.07 |
| Six months | | |
| Net profits | 15.5m | 14.8m |
| Net per share | 2.21 | 2.08 |

| WESTERN NORTH AMERICAN | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 178.3m | 178.5m |
| Net profits | 16.8m | 25.9m |
| Net per share | 0.42 | 0.58 |
| Six months | | |
| Revenue | 374.9m | 338.7m |
| Net profits | 40.5m | 47.1m |
| Net per share | 0.92 | 1.06 |

| WESTERN PACIFIC | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 44.8m | 46.8m |
| Net profits | 1.7m | 2.2m |
| Six months | | |
| Revenue | 90.9m | 95.8m |
| Net profits | 293,000 | 385,000 |

| WESTERN UNION | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 230.1m | 228.0m |
| Net profits | 10.1m | 13.22m |
| Net per share | 0.45 | 0.68 |
| Six months | | |
| Revenue | 482.1m | 438.3m |
| Net profits | 27.87m | 23.04m |
| Net per share | 1.23 | 1.15 |

| WILLIAMETTE INDUSTRIES | 1982 | 1981 |
|---|---|---|
| Second quarter | $ | $ |
| Revenue | 234.2m | 262.5m |
| Net profits | 5.6m | 13.2m |
| Net per share | 0.22 | 0.86 |
| Six months | | |
| Revenue | 441.5m | 506.6m |
| Net profits | 15.47m | 21.38m |
| Net per share | [illegible] | 1.40 |

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# France plans further aid for biotech companies

By David Marsh in Paris

A THREE-YEAR investment programme of more than FFr 1bn ($145m) by companies involved in the biotechnology industry has been proposed by a commission set up by the French Government.

In a report published yesterday, the commission recommended that the Government—which is already pumping well over FFr 1bn a year into biology-based research institutes—step up its financial aid by a further FFr 200m a year.

Biotechnology—the harnessing of living organisms in industrial processes—is one of the main "new technology" sectors looming large in the French Socialists' ambitious drive for science-based economic growth.

M. Jean Pierre Chevenement, Minister of Research and Industry, told a press conference that France had "no time to lose" in making up ground lost. The aim of the newly-combined "super-Ministry," formed in the government reshuffle at the end of last month, is for French companies to boost their share of the world biotechnology market to 10 per cent in 10 years, from 7.5 per cent at present.

The main companies involved in France's biotechnology effort are all controlled by the state—the oil company, Elf Aquitaine, and its pharmaceutical subsidiary, Sanofi; Produits Chimiques Ugine Kuhlmann, the chemicals division of Pechiney Ugine Kuhlmann; and the large chemical group, Rhone Poulenc.

Other companies participating in projects in this industry include Roussel-Uclaf, BSN Gervais Danone and the pharmaceuticals concern, Merieux.

In its report, which took just under a year to complete, the commission called for action to restructure research efforts, to improve information about the new industry and to speed up training of biotechnologists.

The commission suggests that government financing for the industry should be in the form of tax credits, preferential loans and fiscal investment incentives.

The Government is already spending FFr 1.1bn this year on laboratories and public research institutes connected with biotechnology — a sum which is due to rise to FFr 1.4bn next year.

# Bosch in DM375m AEG deal

BY KEVIN DONE IN FRANKFURT

ROBERT BOSCH, the West German motor components and electrical group, has spent DM 375m ($153m) buying into the telecommunications interests of the financially-ailing AEG-Telefunken concern.

This was disclosed yesterday by Herr Hans Merkle, chief executive, who nonetheless ruled out any Bosch involvement in a West German national rescue of AEG, a solution widely canvassed by the trade unions.

Bosch was ready to increase its stake in AEG's telecommunications operations, said Herr Merkle. He hinted strongly too that in the event of an AEG collapse Bosch would be interested in buying certain other AEG assets.

To date Bosch has bought into the following AEG activities:

● For DM 100m it has taken a 20 per cent share in ATN—AEG-Telefunken Nachrichtentechnik—the AEG telecommunications division. AEG has retained a 51 per cent interest. Other shareholders are Mannesmann, 20 per cent, and Allianz, 9 per cent.

The three groups — Bosch, Mannesmann and Allianz—had pooled their interests in a holding company, said Herr Merkle, and had taken an option to increase their stake in ATN to a simple majority if there was a change in AEG's ownership.

This move protects the primacy of the three companies' role in ATN if a major new shareholder buys into AEG as part of a general rescue. Both General Electric Company of the UK and United Technologies of the U.S. have shown interest in taking a substantial minority stake in AEG's complete capital goods operations, which would include the 51 per cent-owned telecommunications division.

● For DM 375m Bosch bought 75.5 per cent of Telenorma—AEG has the remaining 24.5 per cent—which in turn owns 41 per cent of Telefonbau und Normalzeit, the successful telephone systems company. Bosch has passed on a third of its stake to J. M. Voith, the mechanical engineering group, which like Bosch is privately owned, reducing its direct investment to DM 250m.

At the beginning of 1983 Telenorma will exercise an option to build its interest in T & N to a substantial majority.

● For DM 25m Bosch has bought 20 per cent of Olympia, AEG's loss-making office information equipment subsidiary. A further 29 per cent is held by holding companies dominated by the Deutsche and Dresdner banks and the Westdeutsche Landesbank. The stake in Olympia had already been written down, in the Bosch balance sheet, said Herr Merkle.

The acquisitions mark an important diversification for the Bosch group, which still made 62.5 per cent of last year's total sales of DM 12.9bn from motor components, both electrical and mechanical.

# Buoyant motor business boosts turnover

BY OUR FRANKFURT STAFF

SALES AT Robert Bosch increased by 9.7 per cent to DM 12.9bn last year, and have continued to move ahead in 1982.

Boosted by the strong performance of the West German car industry, one of the few bright spots in the German economy, sales rose by a further 10.5 per cent in the first half of 1982 to DM 6.95bn ($2.81bn). Bosch expects growth to slow in the second half of the year.

Volume sales last year rose by only 3 per cent, however, after allowing for currency movements and inflation, while volume sales showed a rise of 8.1 per cent in the first six months this year.

Last year Bosch's sales growth was chiefly carried by strong overseas demand, with foreign sales expanding by 18 per cent compared with a 7 per cent increase in domestic sales.

So far this year the picture has been reversed, with domestic sales rising by 13.5 per cent and foreign turnover increasing by 7.7 per cent.

Bosch's profitability has not kept pace with the growth in sales. After-tax profits rose by just 2.8 per cent to DM 181m, and lower down the profit and loss account the figures are depressed by risk provisions.

Bosch has managed to bring its perennial loss-maker, Blaupunkt, the consumer electronics and car radio subsidiary, back into profit, achieving an after-tax surplus of DM 21m last year compared with a loss of DM 66m in 1980. (Of the 1980 loss DM 51m was accounted for by special depreciation measures covering earlier years).

After several years of heavy capital spending Bosch slowed the pace of expenditure last year with a fall to DM 595m from DM 781m in 1980. Capital expenditure is expected to rise again this year to DM 750m.

Investment has been concentrated on development and production of injection equipment for petrol and diesel engines as well as on other electrical and elctronic vehicle components.

In weak areas of business Bosch has been forced to impose short-time working over the past 18 months and it has also cut the workforce significantly. Worldwide the number of Bosch employees fell last year by 6 per cent to 112,796.

The company is striving to increase its activities in the North American market and the share of the Americas in group turnover jumped to 13.6 per cent (DM 1.76bn) from 11.2 per cent (1.32bn) in 1980. It is still dependent for 63.8 per cent (DM 8.26bn) of sales in the EEC, with a further 13.8 per cent (DM 1.78bn) coming from other European countries.

# Bank buys Hachette stake

BY OUR PARIS STAFF

CREDIT LYONNAIS, the second largest of France's big three nationalised banks, has taken a 14.6 per cent indirect stake in Hachette, the premier publishing company now independent of the Matra arms group.

The bank has bought a 27 per cent share in the holding company Marlis, which owns 54 per cent of Hachette. The stakes were acquired, for an undisclosed sum, from the newly-nationalised banking group, Paribas (which formerly had 10 per cent of Marlis) and from the radio station, Europe 1 (formerly 17 per cent).

Hachette came under the control of Matra at the end of 1980, but the arms group hived off its shareholding as part of the Government's nationalisation plans.

The fresh share restructuring is not expected to lead to any changes in corporate strategy at Hachette, which incurred a loss of FFr 15.4m ($2.2m) in 1981 but expects to return to profit this year.

# Roche sales dip by 2%

BY JOHN WICKS IN ZURICH

SALES OF Roche, the Swiss chemicals group, fell by 2 per cent in the first half of this year, because of the increased strength of the domestic currency. According to the Basle-based parent company, F. Hoffmann-La Roche, combined sales of the companies controlled by Roche and its Canadian holding affiliate, Sapac, totalled SwFr 3.39bn ($1.61bn) compared with SwFr 3.46bn a year earlier.

In terms of local currencies, group sales rose by as much as 18.6 per cent, against a 16 per cent growth in the previous year.

In Swiss-franc terms, first-half sales of the two major divisions —pharmaceuticals and vitamins/fine chemicals — were down by 3.7 and 3.2 per cent on corresponding 1981 levels to SwFr 1.45bn and SwFr 958m respectively.

Although no indication is given of current earnings, Mr Fritz Gerber, Hoffman La Roche chairman, had said in May that 1982 profits ought not to be lower than those for last year.

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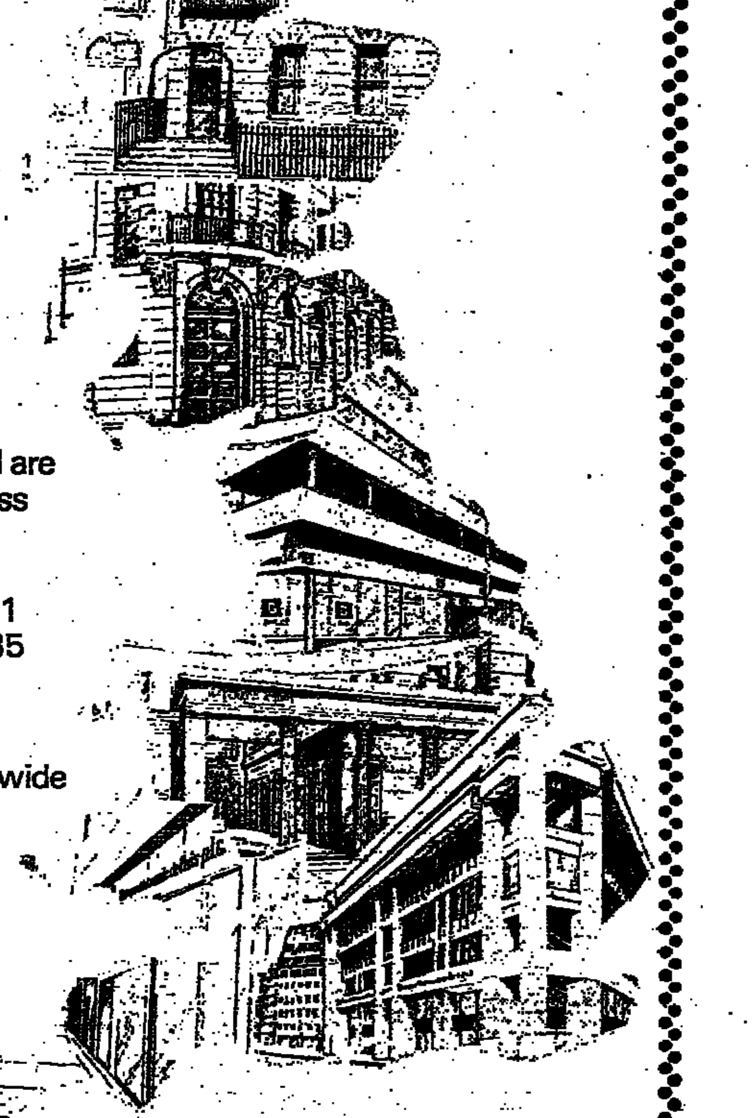

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# Gas fuels battle for OCA board

**Hartogen Energy is trying to use an 18 per cent stake to gain boardroom control of Oil Company of Australia, a promising oil and gas producer. Lachlan Drummond reports from Sydney**

OIL COMPANY OF AUSTRALIA, which was launched on the back of the energy boom late in 1979, will be fortunate if it celebrates its third birthday as an independent oil and gas explorer.

Hartogen Energy, with a stake of 18 per cent in the company, is pounding on its boardroom door and hopes to unseat all the encumbent directors of OCA at an extraordinary general meeting it has requisitioned for July 29.

OCA's directors are outraged that Hartogen should try to set the precedent of using a modest minority stake to gain total boardroom control. They fear that other OCA shareholders will be disadvantaged if ever a Hartogen-appointed board evaluates a takeover offer from Hartogen.

Meanwhile, Hartogen is attempting through the courts to test whether the OCA board had the power and the need to increase its capital through the defensive allotment of 10 per cent of its shares to Boral, the Sydney-based building products and gas distribution group, the day after Hartogen revealed its holding early last month.

As part of this deal, Sir Eric Neal, Boral's chairman, joined the OCA board and Boral was given right of first refusal over any gas produced by OCA. This was the result, says OCA, of talks under way since last August.

## Biggest shareholder

Both these points have rankled with Hartogen, which is OCA's biggest single shareholder but has no boardroom representation. In its efforts to win votes to its cause it has drawn into question the propriety of such a relationship between potential sellers and buyers of gas. It has also questioned the ability of the OCA board—or Boral—to carry through to production OCA's rich gas reserves in Queensland.

However, it seems certain that if Hartogen fails in its attempt to replace the OCA directors—who include Lord Catto, chairman of Morgan Grenfell, the UK merchant bank which introduced OCA to the market through its Australian subsidiary—Hartogen will seek to win control through a take-over offer, a move likely to draw out Boral as "white knight."

Indeed, after revealing its almost 20 per cent stake early last month Hartogen made a share exchange offer for 14m OCA shares to lift its stake to 40 per cent (36 per cent after the Boral allotment). However, the Sydney Stock Exchange's insistence on a cash alternative, later backed by the courts, led to the bid's withdrawal.

In the meantime a new companies Act came into force on July 1. It demands in part up-to-date audited accounts before a group can launch a bid. With these due from Hartogen within weeks a new offer is likely to emerge.

At the same time Boral has been adding to its existing stake in OCA through market purchases and has the financial muscle, the inclination, and the support of the OCA board with which to back a bid.

With OCA shares and options trading at around 60 cents and 26 cents respectively, a bid somewhere above 70 cents a share is thought necessary, placing a value of around A$60m (U.S.$61m) on OCA.

Although Hartogen, with a share capital of around A$70m, previously made a share-based bid it has access to substantial funds and could if pressed offer a cash alternative. It would likely seek only control and not outright ownership. It is currently trying to sell its half share in the producing Wambo coal mine in the Hunter Valley of New South Wales, which could bring in A$20m to A$25m.

At stake is OCA's highly promising gas properties in the Denison Trough, part of the Bowen Basin in central Queensland, as well as other exploration tracts.

Its Denison Trough Yellow Bank number two appraisal well last week produced strong flows of 2.62m cubic feet of gas a day from its third level, considerably upgrading the field's potential. OCA has 40 per cent of the Denison Trough with CSR holding the remainder.

If the field measures up to its rich potential — and it could do so within six months —long-term industrial contracts will be the key to its success.

Already Australian Fertilizers has plans for a jumbo fertilizer plant in Queensland using natural gas feedstock while Queensland Alumina (QAL) is keenly interested in converting its Gladstone refinery from oil to gas.

However, QAL wants at least 10 years supply before it will undertake the conversion. This plus other possible commitments would require OCA gas reserves of at least 200 bn cu ft, a target Mr Pat Burke, Hartogen chairman, believes attainable.

So far, possible reserves are put at more than 125bn cu ft—enough to start supplies to Brisbane the northern half of which Boral supplies. But it is the potential A$300m or more long-term contracts with QAL which is the centrepiece in OCA's attraction.

OCA also has a 2.5 per cent share in the Jackson oil discovery in the Cooper Basin; 12½ per cent of two highly rated exploration permits in the Canning Basin where Esso Australia is the operator; exploration areas in Queensland's productive Surat Basin; and a A$15m cash kitty besides.

## Obvious attractions

For Boral, a gas distributor, the attractions are obvious — attractions which led Hartogen to claim that Boral/OCA link was not in the best interest of all OCA shareholders.

Boral, the 25th largest Australian company with a market capitalisation of A$300m has already made a major oil and gas exploration commitment teaming with Esso in the enormous, though untried, Galilee Basin permit, an area which represents roughly 15 per cent of the state of Queensland.

Hartogen has said it can provide OCA with a board experienced in turning exploration potential into production. Evidence includes its operation of the Kincora gas field which supplies Brisbane.

It also holds 22 per cent of the Blina oil discovery in the Canning Basin, three petroleum permits in the Cooper Basin, and major stake in the Turn gas field in Western Australia's Bonaparte Gulf. Through its control of Pluss Oil it has interests in the Gippsland Basin in Victoria and permits north and west of the Jackson oil discovery. It also has interest in the Surat basin.

Meanwhile, the OCA board continues to fight in the courts and to stress to is shareholder it desire to be left alone and it ability to carry out the development phase of the Denison Trough project.

However, at a time when depressed share prices have opened the way for cheap entry into attractive resource developments, independence may prove a vain hope.

# Advance in group earnings at Fujitsu

*By Our Financial Staff*

FUJITSU, Japan's largest computer maker, has reported an 18 per cent increase in consolidated net profits for the year ended March to Y31.76bn ($124m).

Consolidated pre-tax profits rose by 47 per cent to Y65.89bn on sales ahead by 15.2 per cent to Y800.3bn ($3.14bn).

Fujitsu had earlier reported a 24 per cent rise in parent company net profits to Y22.89bn on sales ahead by 15.4 per cent to Y678.1bn.

The company said its strongest group performance was in sales of computers and electronic components.

Revenues from computer sales, which represented 59.7 per cent of the group total, rose 17.8 per cent from the year before to Y477.84bn. Electronic components sales, which represented 15.3 per cent of the total, rose 21.4 per cent from the year before to Y122.64bn.

Revenue from communications equipment grew at a slower pace, rising by 4.3 per cent from the year-earlier level to Y137.50bn. Communications equipment sales represented 17.2 per cent of the total, down from 19 per cent.

Exports advanced by 33.9 per cent to Y140.71bn with the share of exports in total sales climbing to 17.6 per cent from 15.1 per cent.

Fujitsu said its wholly-owned semi-conductor manufacturing subsidiary in the U.S., Fujitsu Microelectronics, which was established in 1979, is expected to show its first profit this year.

The domestic office equipment unit, set up last year, is also expected to show a surplus.

The company said that along with the parent, domestic subsidiaries in office computers, electronic parts, and car audio equipment are expected to contribute to higher results this year.

Fujitsu expects a 35 per cent increase in consolidated net income for the current year to Y43bn. Consolidated sales of the 21-company group are forecast to rise by 23 per cent to Y983bn.

# Alcoa Australia shelves Portland smelter project

BY MICHAEL THOMPSON-NOEL IN SYDNEY

ALCOA of Australia yesterday deferred completion of its Portland aluminium smelter in Victoria until at least mid-1985. "We regard this as a temporary deferment, not an abandonment," Sir Arvi Parbo, Alcoa's chairman, said of the troubled A$900m (U.S.$918m) project. Nonetheless, the move provoked a fierce reaction.

Sir Arvi said the main factors were depressed world aluminium prices and Australia's declining competitiveness in world markets, a reference to rising domestic wage rates.

Existing contracts at Portland will be wound down and no new work started. The site could be virtually deserted by later this year.

Sir Arvi said Alcoa, which is 51 per cent owned by Aluminum Company of America, had already invested A$250m at Portland and the last thing it wanted was to have to "walk away." But the deferment was fiercely criticised by the unions. Mr Harry Holowell, state secretary of the Federated Ironworkers' Association of Australia, said the move was a "bloody disgrace."

Doubt has surrounded the project since 1978. Construction work started in January, 1981, and the first potline was to have been ready in October, 1983. But late last year, Alcoa came close to abandonment after sharp disagreement with the state electricity authority over power pricing.

Portland is in the Wannon constituency of Mr Malcolm Fraser, the Prime Minister, who will visit the site next Monday. Last year Alcoa estimated that 3,000 jobs throughout Victoria were directly related to the smelter's construction. Last week, the company revealed a 35 per cent fall in first-half profits, to A$36.9m and its failure to attract a Japanese partner for Portland.

Work on a A$260m power line from Geelong to Portland is continuing, though production at the Point Henry aluminium smelter at Geelong is being closely-monitored. The company has already mothballed its refinery at Wagerup, in Western Australia.

Electricity accounts for between 25 per cent and 30 per cent of aluminium smelting costs in Australia, but both Alcoa and the state government of Victoria have ruled out an electricity price subsidy for Portland.

Sir Arvi said yesterday that the project would probably have been deferred, regardless of the dispute over electricity tariffs.

Mr Holowell said yesterday that about 1,400 workers would have been engaged on the site when construction was at a peak, and that many workers had staked their life savings on going to work at Portland. "It's a crying shame to let this engulf a whole bloody town," he said.

The leader of the liberal opposition in Victoria, Mr Lindsay Thompson, blamed the state Labor Government for Portland's demise. Victoria voted in a Labor government earlier this year.

"The only surprise is that it has taken the Labor government 100 days to bring the biggest aluminium smelter project in the southern hemisphere to its knees," claimed Mr Thompson.

# Bank of Bahrain and Kuwait moves ahead

BY MARY FRINGS IN BAHRAIN

BANK of Bahrain and Kuwait (BBK) has reported net income of BD 6.2m ($16.6m) before extraordinary gains for the first half of 1982, against BD 6.7m for all of 1981.

This is the first time that the 10-year-old joint venture between Bahraini private investors and Kuwaiti financial institutions has outstripped the earning of its longer-established rival, the National Bank of Bahrain, in which the Government is a major shareholder.

NBB earlier reported a 60 per cent increase in interim net profit of BD 5.1m ($13.6m), but continued to show a higher rate of return on average assets.

Neither of the two banks included exceptional income from the handling of offshore company share issues. Al Ahli Commercial Bank, the other local institution providing seven-day credit to subscribers, publishes only year-end results. But on the four issues in the first half of this year the three banks are estimated to have earned some US$70m.

Although BBK probably does about 70 per cent of this credit business, the "windfall" is divided between them on the basis of overall market share, under a mutual agreement concluded two years ago to avoid fierce competition which would lead to under-the-counter rate cutting. The second half is unlikely to bring comparable gains since the current $17m issue for United Gulf Bank, to be completed on July 31, is less heavily over-subscribed.

The only other issue in prospect is for a local investment company which is seeking to change its status from that of a private to a public company. But if it comes to the market in the autumn, investor response could be muted by BBK's planned BD 19.5m ($53m) rights issue in October.

# Money broking fees to be cut in Hong Kong

HONG KONG'S foreign exchange and deposit brokerage fees, which are easily the world's highest, are set to be cut soon by up to 20 per cent according to participants in the markets.

This would bring fees here roughly into line with Singapore its regional banking rival. Reuter reports from Hong Kong.

The high level of Hong Kong brokerage tariffs is one of the factors which has reduced the overall volume of foreign exchange business channelled through brokers only between 10 per cent and 20 per cent of the total, with the banks preferring to conduct the bulk of their business on a direct-deal basis.

This contrasts with other major financial centres, such as London, where the proportion of business dealt through brokers exceeds 80 per cent and where emphasis is placed on the broking system to determine levels of foreign exchange rates.

# South Korean listed companies lift profits

SEOUL—Financial reports of 290 companies listed on the Korean Stock Exchange showed that profits rose by an average 30 per cent in 1981 and sales by 31 per cent, the Korean Securities Supervisory Board said. If 41 financial institutions and insurance companies are excluded, profits of the remaining 249 companies increased by 38 per cent and sales by 63 per cent.

However, 66 of the 290 companies incurred losses last year, according to the Board. The same number of concerns reported losses for 1980. Profits of 298 listed companies declined by an average 42 per cent in 1980 on sales up by an average of 46 per cent.

Company results and sales figures have been converted to U.S. dollars using the won-dollar exchange rates prevailing at the end of 1980 and 1981. Statistics for both years are based on unconsolidated company reports. Some subsidiaries' losses are not included.

Many Korean corporations, including many subsidiaries and affiliates of major groups, are not listed. Reports on the listed companies therefore do not provide a complete picture of the corporate sector's performance.

While many listed companies reported increases in earnings, others said profits declined or disappeared. In some cases, important companies that were profitable in 1980 reported losses for 1981.

One securities analyst traced the mixed performance to the recession of 1980. The problems of that year carried over into 1981, and companies found themselves short of operating funds, the analyst said. As a result, they borrowed increasing amounts of money, and the enlarged debt burden pushed profit down.

Korea's gross national product increased about 7 per cent in 1981 with agriculture and the fisheries industry making the largest contribution to growth. Moreover, GNP is calculated using sales figures, and most listed companies reported increases in sales, even if profits declined.

Prospects for an earnings improvement this year picked up sharply last month with the announcement of a government-stimulus package. Corporates taxes and interest rates were slashed, but analysts say the ability to increase profits by expanding markets will depend largely on how the U.S., Japan, and other buying countries fare in the second half.

The financial scandal resulting from a swindle on Seoul's private-loan market shot holes in the earlier optimism, one analyst said. Construction companies were hardest hit because of their heavy use of private loan funds.

Electronics and general trading companies, by contrast, are expected to show some improvement in the second half, while the petrochemical industry, is expected to remain depressed.

The motor-car industry continued to take the hardest blows in 1981. Kia Industrial Company, one of the country's three motor manufacturers, again led the list of losers on the exchange. Kia posted a loss of $38m compare with the $36m deficit of 1980. Hyundai Motor Company, the nation's leading car manufacturer, reported a loss of $23m for the second consecutive year.

By comparison, Daewoo Corporation, the main company of the country's largest diversified group, reported a profit of $90m, the largest of any listed company. Dong Ah Construction Company was the next-largest earner, reporting a 1981 profit of $23m, down 46 per cent from 1980.

The number of listed companies withholding dividends last year increased to 79 from 71 in 1980. The average dividend paid fell to 58 won a share from 79 won in 1980.

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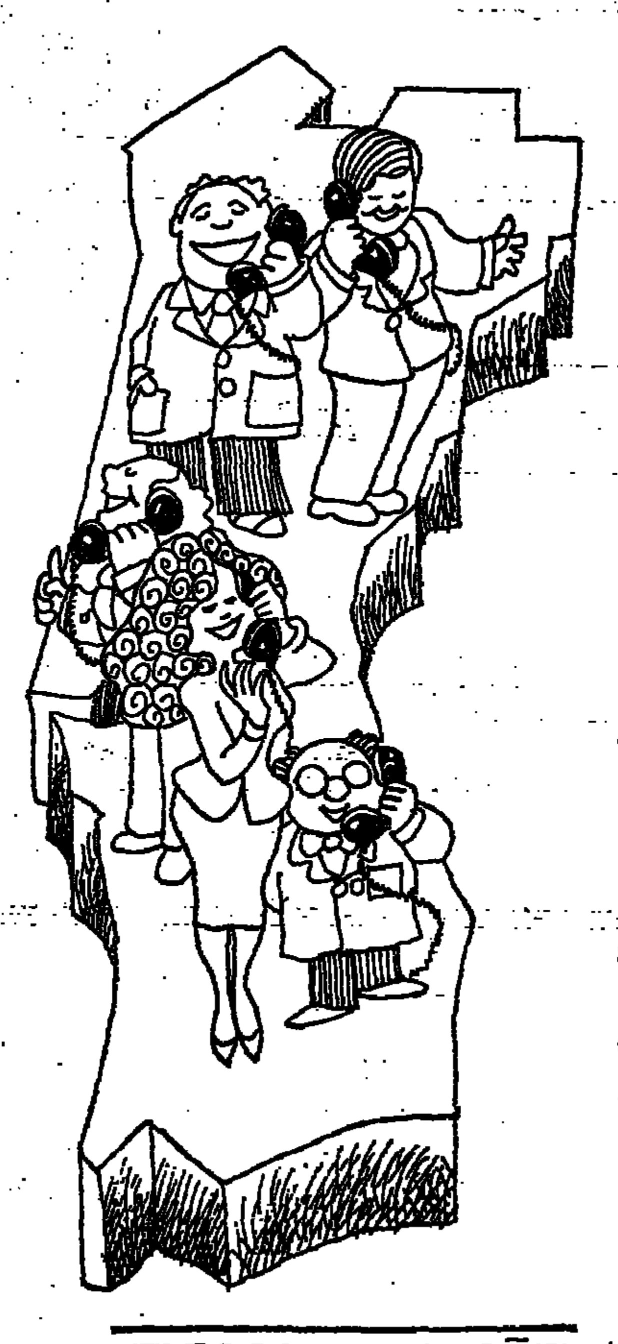

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# WORLD STOCK MARKETS

## Early Wall St rally fades

AN EARLY rally on Wall Street yesterday faded, leaving the market only modestly ahead at mid-session after further active trading.

The Dow Jones Industrial Average, which was up 5.04 at the 11.00 am calculation, receded to show a net gain of 1.71 at 830.36 at 1 pm. The NYSE All Common Index was up 13 cents on balance at $63.80, while advances retained a narrow lead over declines in the ratio of seven-to-five. Turnover came to 40.18m shares, almost equal to last Friday's 1 pm figure of 40.27m.

Monte Gordon, of Dreyfus Corporation said investors were initially encouraged by the smaller-than-expected rise in the weekly money supply, reported late last Friday.

Analysts said the subsequent market easing may reflect Wall Street disappointment that the prime rate was only cut half a point by some banks yesterday morning.

Mr Gordon added that investors had expected interest rates to decline at a faster rate than exhibited yesterday morning. He said there was also some disappointment that the Federal Reserve had not cut the Discount Rate, now at 12 per cent, as had been projected.

Issues in special situations attracted the most attention. Giddings and Lewis climbed 2⅞ to $29⅞ in active trading after the company said it will accept Amca's improved tender offer of $30 a share, up from $25.

Mesa Petroleum continued to climb on acquisition rumours. It was up ¾ to $16¼ in heavy trading, adding to a 2⅞ rise last week.

Sperry was off 1⅝ to $23⅛. Last week the company announced a top-of-the-line computer designed to compete with IBM's 3083 model.

THE AMERICAN SE Market Value Index was up 1.78 at 253.78 at 1 pm. Volume 2.34m shares (2.22m).

### Canada

Aided by optimism over interest rates after the smaller-than-expected rise in the U.S. money supply, Canadian shares tended to improve in moderate early dealings. The Toronto Composite Index gained 11.6 to 1,433.4 at noon, Oil and Gas 24.1 to 2,435.3 and Metals and Minerals 10.7 to 1,339.1, but Golds shed 19.2 to 1,784.7.

### Tokyo

With attention focused on lower U.S. interest rates, the prospect that the rates could further decline, and also an upturn in the yen against the U.S. dollar, the Tokyo market brushed aside some negative news that appeared yesterday and rallied sharply.

Blue Chips figured prominently in the rise. The Nikkei-Dow Jones Average climbed 61.91 to 7,237.80 and the Tokyo SE index 4.54 to 535.79. However, volume amounted to only 210m shares, down from last Friday's 280m.

Trading volume was low because investors were staying away from speculative issues, which have been traded heavily of late, a trader commented.

With the yen appreciating in value, foreign investors are finding Japanese Blue Chip stocks attractive buys, one trader said. He said many investors believe the yen will continue to rise to about Y240 or Y245 to the dollar. It was quoted in Tokyo at about Y253 to the dollar yesterday.

However, a trader warned that due to uncertainties that continue to plague the market, last week's pattern could continue, with a market focusing one day on Blue Chips and the next on speculatives.

Newspaper reports that Japanese manufacturers would have to extend employee summer holidays to adjust to low demand appeared to have little effect on the stock market.

Reports that Videotape Recorder Makers are engaged in vicious price-cutting competition in a slumping market also failed to restrain share prices. Indeed, Sony rose Y70 to Y3,320 and Matsushita Electric Y50 to Y1,050.

Reports that the Health and Welfare Ministry is to investigate the practice among Japanese drug companies of distributing enormous quantities of free drugs for promotional purposes did not prevent pharmaceutical issues from gaining ground. According to one report, drug companies spent up to Y20bn on give-aways to promote the antibiotic Cephalosporin.

Toray put on Y20 to Y359 in response to an article in a Japanese economic daily which said that the company was negotiating a joint venture with Avtek, a U.S. aircraft maker. A spokesman for Toray, Japan's largest carbon fibre producer, said that the company is interested in diversifying into the aircraft field and has received inquiries from various aircraft makers. However, he denied any agreements had been made.

Elsewhere, Hitachi advanced Y21 to Y588, Fujitsu Y31 to Y772, Nippon Electric Y31 to Y790, Toyota Motor Y29 to Y898, Honda Motor Y19 to Y740, Canon Y21 to Y737, Ricoh Y23 to Y493, Kyowa Hakko Y12 to Y591, Sumitomo Electric Y17 to Y482 and Sharp Y38 to Y868.

### Germany

Aided by a rising Domestic Bond market and an easier U.S. dollar, Bourse prices rallied initially on domestic and foreign buying. However, demand soon began to wane and price gains were somewhat eroded as investors showed preference for the Bond market. Nevertheless, the Commerzbank index managed a recovery of 5.0 to 684.9.

Motors were favoured, Daimler putting on DM 3.20 to DM 303.70 and Volkswagen DM 2 to DM 138.

West German Bond prices rose in response to softer U.S. interest rates. Domestic issues on average added 65 pfennigs. The Bundesbank sold DM 44m of paper.

### Hong Kong

Stocks closed mixed with an easier bias after thin dealings. Uncertainty about Hong Kong's political future tended to outweigh speculation of lower interest rates in the near-term.

Investors were confused over differing reactions to indications from China over the past few days that it may be approaching some kind of formula for reunification of Hong Kong with the mainland.

Attention revolved around a new China news agency report in which Peng Zhen, vice-chairman of The National People's Congress, was seen as indicating that reunification of China with Hong Kong, as well as Taiwan and Macao, could be legally based on a clause in China's new draft constitution.

The Hang Seng Index shed 5.23 to 1,295.75, while turnover on the four exchanges totalled HK$145.21m, against last Friday's HK$158.68m.

### Johannesburg

Gold shares moved ahead in active trading despite an uninspiring day for the Bullion price.

Heavyweights gained up to R2, as did Harties, at R48. Rand Mines Group producers rose strongly in late trading on quarterly results. Blyvoors gained 40 cents at R9.70 and ERPM 80 cents at R8.00.

### Australia

Markets made a mixed showing, with some leading Resources issues advancing on a decline in local interest rates and hopes of a further easing of U.S. interest rates.

Several top Mining stocks also responded, to some degree, to the overall improvement in commodity prices recorded over the last week or so.

Closing prices for North America were not available for this edition.

## NEW YORK

[illegible]

## CANADA

| Stock | July 16 | July 15 |
|---|---|---|
| AMCA Intl | 16⅞ | 16⅞ |
| Abitibi | 16¼ | 16½ |
| Agnico Eagle | 7.12 | 6.87 |
| Alcan Alumin | 23¾ | 23¾ |
| Algoma Steel | 25½ | 25½ |
| Asbestos | 10⅝ | 10⅝ |
| [illegible] | [illegible] | [illegible] |

## BELGIUM (continued)

| July 19 | Price Frs. | + or — |
|---|---|---|
| Petrofina | 4,445 | +30 |
| Royale Belge | 6,080 | +10 |
| Soc. Gen. Banq. | 2,455 | —45 |
| Soc Gen Belge | 1,132 | —8 |
| Sofina | 3,320 | —10 |
| Solvay | 1,905 | ...... |
| [illegible] | [illegible] | [illegible] |

## HOLLAND

| July 19 | Price Fls. | + or — |
|---|---|---|
| ACF Holding | 80.8 | +0.8 |
| Ahold | 85 | +1 |
| AKZO | 24.6 | +0.3 |
| ABN | 278 | +3 |
| AMEV | 88.2 | +1.7 |
| AMRO | 45.5 | +0.5 |
| Bredero Cert. | 157 | —1 |
| [illegible] | [illegible] | [illegible] |

## AUSTRALIA

| July 19 | Price Aust. $ | + or — |
|---|---|---|
| ANZ Group | 5.52 | +0.04 |
| Acrow Aust | 1.30 | ...... |
| Ampol Pet | 1.22 | ...... |
| Assoc. Pulp Pap | 1.45 | ...... |
| Audimco | 0.10 | ...... |
| Aust. Cons. Ind. | 1.37 | —0.01 |
| Aust. Guarant. | 2.16 | —0.02 |
| Aust. Nat. Inds. | 2.40 | —0.05 |
| [illegible] | [illegible] | [illegible] |

## JAPAN (continued)

| July 19 | Price Yen | + or — |
|---|---|---|
| Kubota | 330 | ...... |
| Kumagai | 380 | —6 |
| Kyoto Ceramic | 3,690 | +50 |
| Lion | 365 | +3 |
| Maeda Cons | 528 | —1 |
| Makita | 720 | ...... |
| Marubeni | 280 | —4 |
| Marudai | 650 | +5 |
| [illegible] | [illegible] | [illegible] |

## DENMARK

[illegible]

## FRANCE

[illegible]

## GERMANY

[illegible]

## ITALY

[illegible]

## NORWAY

[illegible]

## SWEDEN

[illegible]

## SWITZERLAND

[illegible]

## HONG KONG

[illegible]

## JAPAN

[illegible]

## SINGAPORE

[illegible]

## SOUTH AFRICA

[illegible]

Financial Rand US$0.79¾ (Discount of 34%)

## BRAZIL

[illegible]

## AUSTRIA

[illegible]

## BELGIUM/LUXEMBOURG

[illegible]

## Indices

### NEW YORK —DOW JONES

[illegible]

### STANDARD AND POORS

[illegible]

### NY. S.E. ALL COMMON

[illegible]

### MONTREAL

[illegible]

### NEW YORK ACTIVE STOCKS

[illegible]

# LONDON STOCK EXCHANGE

# Cheaper credit pressures intensify and Gilts soar to two-year peaks dragging equities with them

**Account Dealing Dates**

| Option *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| July 5 | July 15 | July 16 | July 26 |
| July 19 | July 29 | July 30 | Aug 9 |
| Aug 2 | Aug 12 | Aug 13 | Aug 23 |

* "New-time" dealings may take place from 9.30 am two business days earlier.

Increasing pressures for cheaper credit both at home and in America set London stock markets alight yesterday. Gilt-edged securities attracted substantial investment funds and soared over 1½ points to two-year peaks and were still rising after the official close of business. Leading equities were relatively overshadowed but the FT Industrial Ordinary share index still staged its biggest one-day advance, 12.9, since May 24 when it rose 15.2.

Last week's smaller-than-expected rise in U.S. money supply strengthened hopes that the Federal Reserve would reduce its discount rate of 12 per cent and American bond markets responded late on Friday. A stronger pound yesterday following the collapse of the rail strike, lower intervention rates again in UK money markets, which touched off renewed optimism about another cut in domestic base rates, and U.S. prime lending rate reductions yesterday completed the scenario.

The authorities supplied stock of the remaining five of the recently-created six £100m tranches, but were also believed to have refused bids. Despite extremely tight conditions in money markets, exacerbated by yesterday's £508m call on the recently-exhausted short tap stock Treasury Convertible 12¼ per cent 1986, the shorts rose a full point. Selected high-coupon longs displayed gains stretching to 1⅞ and the FT Government Securities index jumped 0.79 to 71.98, its highest level since July 28 1980.

Equities enjoyed increased activity in the early trade before attention turned to Gilt-edged and business in the former then faded away. Selective demand found stock extremely short in cases and some leading shares scored double-figure gains. Sentiment obviously benefited from settlement of the rail dispute and was helped further by Wall Street's early strength yesterday. The FT Industrial Ordinary share index improved progressively, extending a rise of 6.8 at 10.00 am to a closing advance of 12.9 at 569.6.

## Discount Houses up

Hopes of a further reduction in interest rates and the firmness of gilts combined to bring about double-figure gains in Discount Houses. Additionally helped by the interim statement, Alexanders closed 12 to the good at 250p, after 252p. Ahead of tomorrow's half-year statement, Union rose 10 to 460p, while Cater Allen put on a similar amount to 325p. Gerrard and National gained 8 to 282p, after 285p, and Clive hardened a couple of pence to 29p, after 30p.

With the exception of Midland, which added 8 to 340p, the major clearing banks closed rarely changed. Lloyds, which starts the interim dividend season Friday, held at 382p.

Royals stood out among firm Composite Insurances, rising 15 to 362p in response to Press comment. Renewed speculative support on hopes of a bid from Allianz left Eagle Star 7 higher at 366p. General Accident advanced 8 to 308p as did GRE, to 288p, while Commercial Union improved 5 to 140p. Elsewhere, Hambro Life at 259p, picked up 8 of last week's drop of 36 which followed disappointing new life business figures. Equity and Law Life rose 10 to 430p as did Pearl, to 378p. In Lloyds Brokers, Hogg Robinson hardened 2 to 101p ahead of today's preliminary figures.

Official London dealings began yesterday in Sarakreek, the Dutch property trust, with the price at $25¼.

A reasonable two-way business developed among leading Breweries; a slightly easier tone was evident after the official close, but most still retained useful gains. Arthur Guinness firmed 2 to a 1982 peak of 89p, while Allied-Lyons added a like amount to 102p; the latter's annual meeting is scheduled for today. Bass rose 5 to 222p, after 223p, while Whitbread, 115p, and Grand Metropolitan, 238p, both added 4. H. P. Bulmer continued to make spectacular progress in the wake of last week's excellent preliminary statement and advanced 42 more to 515p xd. Merrydown Wine, annual results expected during this Account, hardened 6 to 118p. Elsewhere, Distillers continued to draw strength from the better-than-expected full-year profits and surprise dividend increase and closed 3 dearer at 191p. Arthur Bell were marked 4 higher at 180p in response to favourable Press comment.

Hopes of lower interest rates encouraged selective buying in the Building sector. Barratt Developments were well to the fore with a rise of 8 to 278p. Blue Circle improved a similar amount to 447p, while London Brick gained 3 to 99p. William Leech encountered support and put on 7 to 57p along with Y. J. Lovell, 5 higher at 140p, the latter awaiting Thursday's interim statement. Still reflecting the recent good results, A. Monk firmed 2½ more to 73p xd. Mixconcrete rose 5 to 182p, compared with the offer worth 155p per share from Pioneer Concrete; Mixconcrete has stated that it intends to fight the bid.

ICI staged a noticeable revival in Chemicals, moving ahead to close around the day's best with a gain of 8 at 310p. Elsewhere, Amersham were good at 243p xd, up 11.

Store majors finished with good gains, although the rises owed more to general market conditions than to any appreciable increase in turnover. Gussies "A," helped by Press comment, closed 13 higher at 491p, while Habitat Mothercare improved 6 at 149p. Support was noted for F. W. Woolworth, 1¼ dearer at 50½p; the interim figures are due early next month.

Business in secondary issues was of a selective nature. Still responding to good figures and a scrip issue last week, Asprey firmed a point more to £12⅜. Martin The Newsagent, 328p, and House of Lerose, 106p, added 8 and 6 respectively, while J. Hepworth returned to favour and added 3 at 92p. Dealings in H. Goldman, one of last year's speculative favourites, were suspended at 19p pending clarification of the company's position.

## Electricals wanted

Leading Electricals began the week in fine style. Buyers appeared from the word go and, with stock in short supply, were able to make good gains. Comment in the wake of the preliminary results helped Thorn EMI, up 17 to 422p, while Racal advanced 15 to 480p and the recently unsettled BICC, retrieved 12 at 300p. Plessey put on 7 to 507p and GEC 4 more to £10½. Reflecting the strong first-half profits recovery, Scan Data jumped 15 to 125p. Lec Refrigeration added 15 to 260p, while AB Electronic put on 13 to 240p as did MK, to 403p. Still drawing strength from last week's good interim figures, Eurotherm improved 9 afresh to 455p xd, while Muirhead also rose 9, to 172p, on revived hopes of a bid from Tyco Laboratories of the U.S.

The Engineering leaders maintained last Friday's firmer trend. TI were noteworthy for a rise of 4½ at 104p, while Hawker, 330p, and GKN, 148p, improved 6 and 5 respectively. John Brown edged up 2 to 54½p awaiting Friday's preliminary figures. Selective buying was evident in some of the second-liners. Reflecting last week's results, G. M. Firth improved 8 more to 160p. Matthew Hall attracted occasional support and put on 3 to 204p along with Haden, 5 up at 192p. Crown House responded to increased annual profits with a rise of 4 to 35p and Press mention stimulated interest in Howard Machinery, which firmed 2 to 23p. Davy Corporation closed 4 higher at 125p ahead of Thursday's annual results. Against the trend, Moss Engineering encountered fresh offerings and gave up 3 to a 1982 low of 57p.

## Long & Hambly good

Food Retailers made a firm showing. Tesco stood out with a gain of 4 to 75p on reports of boardroom changes. Associated Dairies, 126p, and J. Sainsbury, 340p, added 4 and 7 respectively. Elsewhere, comment in the wake of the annual results lifted Unigate 2 to 90p, while Associated British Foods rose 4 to 142p and Huntley and Palmer added 6 to 97p, the last-mentioned after call option business. British Sugar firmed 7 to match the offer terms of 470p per share from S. and W. Berisford, a penny harder at 137p.

Miscellaneous industrial leaders began the new Account strongly. After Friday's fall of 43 following Italian doctors' criticism in the Lancet of the group's Zantac anti-ulcer drug, Glaxo rallied to 782p before closing a net 9 dearer at 762p; Beecham advanced 9 to 299p. Metal Box, with the help of Press comment, firmed 8 to 160p, while similar improvements were seen in Bowater, 201p, and BOC, 168p. Pilkington put on 7 to 195p and Boots 5 to 222p. Elsewhere, Long and Hambly jumped 4 to 8½p on bid speculation and Fobel International followed Friday's leap of 10 with a fresh gain of 4½ to 30p, after 33p, following comment on the excellent results. Hollis Brothers and E.S.A. improved 5 more to 15p in response to recent comment, while Gestetner "A" added 4 to 47p ahead of tomorrow's interim figures. Press comment prompted rises of 6 and 12 respectively in Ranson Trust, 172p, and Rolfe and Nolan, 110p, while Siebe Gorman firmed 8 to 190p on the annual results. Initial reflected the satisfactory preliminary figures with a rise of 8 at 288p, while Sketchley added 6 in sympathy to 268p. Supported up to 306p initially, Vinten retreated to close a net 10 lower at 286p following the disappointing preliminary figures.

Talk of further base lending rate cuts in the near future prompted gains of a few pence in the Property sector. York Mount were marked up 4 to 59p in response to an investment recommendation.

## Oils steady

Oils showed few signs of making a worthwhile revival, but maintained the recent slightly better trend. Shell edged up 6 to 400p, but BP closed a couple of pence cheaper at 288p after having held steady for most of the day. Among the exploration issues, Eglinton ended 15 higher at 115p after 125p, following news that a further three Texas oil wells have been successfully completed and tested. Buying interest revived in Marinex, which gained 8 to 113p, while demand was also forthcoming for Carless Capel, 4 higher at 170p, and Candecca, a similar amount dearer at 212p.

Shippings were relatively quiet, but favourable Press mention stimulated fresh demand for British and Commonwealth which rose 14 to 482p and Hunting Gibson, 8 to the good at 410p.

Selected Textiles made useful progress although rises were often attributable to a favourable weekend Press. Nottingham Manufacturing were outstanding for this reason and, in an active trade, advanced 12 to 190p; the interim results are due later this month. Courtaulds firmed a couple of pence to 79p, while Allied, annual results expected on Friday, hardened 3 to 180p. Harold Ingram, 2 up at 19p, and Nova Jersey, 3 dearer at 74p xd, both benefited from Press comment, while Stroud Riley Drummond announced near-doubled annual profits and touched 60p before settling for a net gain of 3 at 55p. Rothmans International attracted good support awaiting today's preliminary results and closed 4 to the good at 98p. Bats rose 10 to 465p, while Imps added 2 to 99p.

## Golds advance

The two major sectors of mining markets, Golds and Australians, made a bright start to the new Account, boosted by continued firmness of the bullion price. The latter was finally $2.5 higher at $347.5 an ounce, having touched $350, following further prime rate cuts by U.S. banks.

Golds raced ahead from the outset with widespread and persistent buying continuing to find the market short of stock. Closing levels were generally a fraction below the day's best reflecting modest profit-taking in the after-hours' trade but gains remained sufficient to lift the Gold Mines index by 5.2 to 230.2.

Marginal Golds continued to attract heavy support with Durban Deep 80 up at 800p and East Rand Proprietary 50 better at 370p ahead of the profits for the June quarter.

The next batch of quarterly reports, those of the gold mines in the Anglovaal and Johnnies groups, will be published tomorrow.

Among the heavyweights, Vaal Reefs were active and closed 1 to the good at £27½; the interim dividend is expected on Friday, along with declarations from Southvaal, South African Land and Western Deep.

Australians shrugged off last week's record balance of payments deficit and made good progress following the cuts in U.S. interest rates and the firm opening on Wall Street.

In the leaders, Western Mining rose 15 to 176p, MIM Holdings 12 to 168p, CRA 8 to 176p and Bougainville 6 to 73p.

Favourable Press comment and continued firmness in the bullion price saw Gold Mines of Kalgoorlie rise 15 to 180p.

Increased volume in Traded Options saw 1,872 contracts struck — 1,716 calls and 156 puts. Last week's daily average amounted to 1,721. A large proportion of business was centred on three stocks; ICI recorded 258 calls with 101 struck in the October 300's. Imperial Group and Lonrho attracted 242 and 207 calls respectively, with the latter's November 90's accounting for 128.

## RISES AND FALLS YESTERDAY

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 85 | 1 | 5 |
| Corpns Dom & Foreign Bonds | 39 | 1 | 35 |
| Industrials | 472 | 36 | 829 |
| Financial & Props | 206 | 42 | 254 |
| Oils | 35 | 17 | 54 |
| Plantations | 2 | — | 15 |
| Mines | 73 | 5 | 76 |
| Others | 53 | 66 | 41 |
| Totals | 965 | 225 | 1,321 |

## FINANCIAL TIMES STOCK INDICES

| | July 19 | July 16 | July 15 | July 14 | July 13 | July 12 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 71.98 | 71.19 | 71.04 | 70.88 | 70.88 | 71.07 | 63.14 |
| Fixed Interest | 71.95 | 71.51 | 71.38 | 71.66 | 71.51 | 71.33 | 65.51 |
| Industrial Ord | 569.6 | 556.7 | 556.4 | 553.8 | 554.3 | 557.5 | 514.0 |
| Gold Mines | 230.2 | 225.0 | 227.9 | 232.2 | 213.6 | 207.9 | 335.2 |
| Ord. Div. Yield | 5.42 | 5.54 | 5.51 | 5.52 | 5.55 | 5.53 | 6.16 |
| Earnings, Yld.% (full) | 11.44 | 11.69 | 11.54 | 11.59 | 11.66 | 11.62 | 11.81 |
| P/E Ratio (net) (*) | 10.59 | 10.36 | 10.52 | 10.48 | 10.41 | 10.45 | 10.63 |
| Total bargains | 15,177 | 16,845 | 14,826 | 15,241 | 16,448 | 16,021 | 16,632 |
| Equity turnover £m. | — | 148.23 | 131.52 | 102.42 | 116.04 | 116.52 | 116.27 |
| Equity bargains | — | 12,947 | 11,679 | 11,137 | 12,369 | 12,038 | 11,832 |

10 am 563.5. 11 am 564.6. Noon 566.5. 1 pm 567.1.
2 pm 567.1. 3 pm 568.2.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35.
Gold Mines 12/9/55. SE Activity 1974.
Latest Index 01-246 8026.
*Nil=9.87.

## HIGHS AND LOWS

| | 1982 High | 1982 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 71.98 (19/7) | 61.89 (5/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 71.95 (16/7) | 62.79 (7/1) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 594.0 (8/6) | 518.1 (5/1) | 597.3 (30/4/81) | 49.4 (26/6/40) |
| Gold Mines | 302.0 (5/1) | 181.8 (22/6) | 558.9 (22/9/80) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | July 16 | July 15 |
|---|---|---|
| —Daily Gilt Edged Bargains | 211.7 | 201.5 |
| Equities Bargains | 83.9 | 75.7 |
| Value | 299.6 | 265.8 |
| 5-day Avrge. Gilt-Edged Bargains | 210.2 | 205.4 |
| Equities Bargains | 78.0 | 75.2 |
| Value | 248.5 | 240.9 |

## RECENT ISSUES

### EQUITIES

| Issue price p | Amount paid up | Latest Renunc. date | 1982 High | 1982 Low | Stock | Closing price p | + or − | Net dividend | Times covered | Gross yield | P/E ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | F.P. | — | 43 | 40 | Anglo-Nordic 5p | 40 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | — | [illegible] | [illegible] | Antofagasta Hldgs £1 | 60 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Argyll Foods Warr'ts | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | — | 48 | 41 | Argyle Trust | 41 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Assoc. Heat Services | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | — | [illegible] | [illegible] | Atlantis Res. Inc. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Bairstow Eves 5p | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Black (Michael) 20p | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Cambrian & Gen. 7½p | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Comt. Microwave | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Denoora | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Druck Hldgs | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Ecobric New Ord | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | — | [illegible] | [illegible] | Do. Defd | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Electro-Prot. US$0.5c | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Group Inv Option | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Knight Cmptr Inv 5p | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | McCarthy & Stone | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Miles 33 10p | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Oriflame SA (US$1.50) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Oilfield Insp. Srvc | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Radio City 'A' NV | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Ruddle (G.) 10p | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | — | [illegible] | [illegible] | Sarakr'k Bearer Dfl.25 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Select TV 10p | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | F.P. | — | [illegible] | [illegible] | Zambia Cons Cpr | 60 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST STOCKS

| Issue price £ | Amount paid up | Latest Renunc. date | 1982 High | 1982 Low | Stock | Closing price £ | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Antofagasta 3.5% Pref. £1 | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Benlox 8% Conv. Cum. Red. Pf. | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Bournemouth Water 9% Red. Prf. 1989 | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | First Nat. 12½pc Conv. Uns. Ln. 1987 | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Lon&Cont'l (Consv.) Sub. Uns. Ln. '95-02 | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Marlborough Props. 10% Cnv. Ln. '95-2000 | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Midland Bk. 14% Sub. Uns. Ln. 2002-07 | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Nationwide Bdg. Soc. 13¼% (3.6.83) | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Do. 14½% (4.7.83) | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Do. 13½% (25.7.83) | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | New Zealand 14¼% 1987 | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Rotaprint 11½% Cum. Conv. Red. Pref. | [illegible] | [illegible] |

### "RIGHTS" OFFERS

| Issue price p | Amount paid up | Latest Renunc. date | 1982 High | 1982 Low | Stock | Closing price p | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Applied Computer Tech | 195 | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Bank Leumi (UK) £1 | [illegible] | [illegible] |
| [illegible] | Nil | [illegible] | [illegible] | [illegible] | Blundell-Permoglaze | [illegible] | [illegible] |
| [illegible] | Nil | [illegible] | [illegible] | [illegible] | Brooks | [illegible] | [illegible] |
| [illegible] | Nil | [illegible] | [illegible] | [illegible] | Goal Pet. 5p | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Grand Met. 50p | [illegible] | [illegible] |
| [illegible] | Nil | [illegible] | [illegible] | [illegible] | Jenks & Cattell | [illegible] | [illegible] |
| [illegible] | Nil | [illegible] | [illegible] | [illegible] | Minster Assets | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Press (Wm.) 10p | [illegible] | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Saatchi & Saatchi 10p | 420 | [illegible] |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Sketchley | 269 | [illegible] |

Renunciation date usually last day for dealing free of stamp duty. [illegible]

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

| Stock | Closing price pence | Day's change | Stock | Closing price pence | Day's change |
|---|---|---|---|---|---|
| Allied-Lyons | 102 | +2 | GEC | £10⅛ | +¼ |
| Barratt Developments | 278 | +8 | Hall (M.) | 206 | +3 |
| Durban Deep | 800 | +80 | Nottingham Manufacturing | 190 | +12 |
| East Rand Property | 370 | +50 | Royal Insurance | 362 | +15 |
| Firth (G. M.) | 160 | +8 | Tesco | 75 | +4 |
| Fobel International | 30 | +4½ | Thorn EMI | 422 | +17 |

## FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

| Stock | Friday's No. of changes | Closing price pence | Day's change | Stock | Friday's No. of changes | Closing price pence | Day's change |
|---|---|---|---|---|---|---|---|
| Glaxo | 47 | 753 | −43 | Imperial Group | 13 | 97 | −1 |
| Beecham | 28 | 290 | −9 | Rank Org. | 13 | 440 | +8 |
| Hambro Life | 25 | 251 | −21 | Racal | 13 | 465 | +5 |
| ICI | 15 | 302 | +6 | UDS | 13 | 70 | — |
| Lonrho | 14 | 85 | +2 | Dowty | 12 | 143 | — |
| Thorn EMI | 14 | 405 | +5 | Leech (W.) | 12 | 50 | +2 |
| Trident TV A | 14 | 74 | +1 | Lloyds | 12 | 382 | +7 |

# FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Mon July 19 1982 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Fri July 16 Index No. | Thurs July 15 Index No. | Wed July 14 Index No. | Tues July 13 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (209) | 400.29 | +1.8 | 9.42 | 4.28 | 13.20 | 393.21 | 393.31 | 393.79 | 393.79 | 343.81 |
| 2 | Building Materials (23) | 325.26 | +1.2 | 12.68 | 5.61 | 9.80 | 321.38 | 323.60 | 324.34 | 324.10 | 296.60 |
| 3 | Contracting, Construction (28) | 587.06 | +0.9 | 14.85 | 5.26 | 8.02 | 581.67 | 580.98 | 584.56 | 586.69 | 553.75 |
| 4 | Electricals (31) | 1592.70 | +2.3 | 6.62 | 2.04 | 19.19 | 1556.18 | 1552.35 | 1553.41 | 1549.55 | 1118.82 |
| 5 | Engineering Contractors (11) | 484.91 | +1.8 | 13.25 | 6.24 | 9.12 | 476.43 | 477.60 | 479.14 | 475.20 | 492.07 |
| 6 | Mechanical Engineering (67) | 197.62 | +1.2 | 11.65 | 5.98 | 10.39 | 195.24 | 194.64 | 193.61 | 194.39 | 284.54 |
| 8 | Metals and Metal Forming (11) | 147.97 | +1.6 | 12.45 | 8.28 | 9.95 | 145.61 | 145.57 | 145.25 | 145.93 | 144.61 |
| 9 | Motors (20) | 85.23 | +1.3 | 2.92 | 8.20 | — | 84.12 | 84.38 | 85.18 | 85.74 | 95.75 |
| 10 | Other Industrial Materials (18) | 354.27 | +1.7 | 10.46 | 6.03 | 11.69 | 348.30 | 351.86 | 354.72 | 355.56 | 370.78 |
| 21 | CONSUMER GROUP (202) | 314.65 | +2.0 | 12.73 | 5.61 | 9.52 | 308.53 | 308.71 | 307.33 | 306.10 | 272.48 |
| 22 | Brewers and Distillers (22) | 333.13 | +1.7 | 14.30 | 6.24 | 8.47 | 327.58 | 326.76 | 322.92 | 322.65 | 299.19 |
| 25 | Food Manufacturing (22) | 269.39 | +2.5 | 17.16 | 7.21 | 6.84 | 265.29 | 264.75 | 264.86 | 265.09 | 255.67 |
| 26 | Food Retailing (14) | 648.69 | +2.2 | 9.11 | 3.45 | 13.47 | 634.59 | 634.01 | 635.32 | 638.97 | 521.72 |
| 27 | Health and Household Products (9) | 507.39 | +2.2 | 6.83 | 3.33 | 17.27 | 496.58 | 510.17 | 503.54 | 488.99 | 324.69 |
| 29 | Leisure (23) | 413.95 | +2.4 | 10.41 | 5.66 | 12.11 | 404.43 | 401.78 | 397.14 | 396.19 | 426.28 |
| 32 | Newspapers, Publishing (13) | 501.16 | −0.3 | 13.60 | 6.23 | 9.25 | 502.59 | 500.79 | 501.38 | 502.43 | 496.61 |
| 33 | Packaging and Paper (14) | 141.42 | +2.9 | 17.03 | 7.81 | 6.83 | 137.48 | 137.12 | 138.92 | 140.42 | 140.22 |
| 34 | Stores (45) | 279.12 | +2.0 | 10.42 | 5.00 | 12.74 | 273.58 | 271.07 | 270.64 | 269.57 | 254.19 |
| 35 | Textiles (23) | 164.18 | +2.2 | 14.14 | 6.55 | 8.61 | 160.69 | 160.90 | 160.92 | 161.59 | 155.66 |
| 36 | Tobaccos (3) | 346.10 | +2.3 | 22.35 | 7.95 | 5.01 | 338.41 | 339.40 | 338.89 | 339.27 | 241.01 |
| 39 | Other Consumer (14) | 261.12 | +0.3 | 6.33 | 5.97 | 30.97 | 260.29 | 262.24 | 260.96 | 263.19 | 297.17 |
| 41 | OTHER GROUPS (76) | 255.36 | +2.1 | 13.92 | 6.59 | 8.72 | 250.21 | 248.84 | 248.29 | 248.70 | 219.72 |
| 42 | Chemicals (15) | 335.56 | +2.7 | 14.14 | 7.12 | 8.48 | 326.84 | 323.34 | 322.83 | 323.18 | 260.11 |
| 44 | Office Equipment (4) | 101.35 | +2.6 | 16.05 | 8.61 | 7.65 | 98.79 | 96.68 | 96.54 | 95.21 | 107.13 |
| 45 | Shipping and Transport (13) | 566.57 | +1.3 | 18.86 | 7.26 | 6.45 | 559.16 | 559.72 | 560.98 | 563.84 | 533.83 |
| 46 | Miscellaneous (44) | 334.94 | +1.6 | 12.02 | 5.64 | 10.19 | 329.57 | 329.44 | 328.18 | 329.18 | 292.64 |
| 49 | INDUSTRIAL GROUP (487) | 335.46 | +1.9 | 11.63 | 5.20 | 10.50 | 329.12 | 329.02 | 328.36 | 327.78 | 289.10 |
| 51 | Oils (13) | 667.58 | +0.4 | 23.76 | 8.72 | 4.77 | 665.13 | 661.32 | 652.44 | 646.78 | 698.87 |
| 59 | 500 SHARE INDEX | 362.67 | +1.7 | 13.40 | 5.71 | 8.94 | 356.63 | 356.23 | 354.92 | 353.92 | 322.29 |
| 61 | FINANCIAL GROUP (117) | 246.13 | +1.4 | — | 6.89 | — | 242.74 | 241.75 | 242.91 | 243.12 | 265.83 |
| 62 | Banks (6) | 267.30 | +0.3 | 38.47 | 8.50 | 2.85 | 266.44 | 262.34 | 264.34 | 265.55 | 278.60 |
| 63 | Discount Houses (9) | 242.92 | +2.8 | — | 9.39 | — | 236.25 | 234.54 | 237.96 | 238.20 | 267.64 |
| 65 | Insurance (Life) (9) | 268.78 | +2.4 | — | 6.80 | — | 262.55 | 266.86 | 267.78 | 268.95 | 268.19 |
| 66 | Insurance (Composite) (10) | 160.71 | +3.0 | — | 8.81 | — | 156.04 | 155.13 | 156.67 | 156.16 | 169.77 |
| 67 | Insurance Brokers (7) | 513.86 | +1.0 | 10.96 | 5.05 | 12.49 | 508.55 | 510.26 | 521.38 | 524.61 | 399.15 |
| 68 | Merchant Banks (12) | 129.91 | +0.2 | — | 6.83 | — | 129.63 | 131.75 | 131.88 | 132.21 | 170.89 |
| 69 | Property (49) | 402.17 | +1.0 | 5.67 | 4.02 | 23.59 | 398.08 | 395.47 | 393.62 | 391.96 | 482.31 |
| 70 | Other Financial (15) | 166.20 | +1.0 | 18.43 | 6.89 | 6.27 | 164.57 | 164.70 | 164.30 | 165.18 | 179.42 |
| 71 | Investment Trusts (111) | 292.29 | +0.8 | — | 5.61 | — | 290.11 | 290.27 | 290.61 | 291.55 | 309.82 |
| 81 | Mining Finance (4) | 200.19 | +2.1 | 15.79 | 7.09 | 7.93 | 196.01 | 195.43 | 193.14 | 194.70 | 244.49 |
| 91 | Overseas Traders (18) | 362.11 | +0.9 | 14.17 | 8.85 | 8.67 | 358.80 | 357.28 | 356.52 | 356.66 | 427.25 |
| 99 | ALL-SHARE INDEX (750) | 331.42 | +1.6 | — | 5.97 | — | 326.23 | 325.71 | 325.01 | 324.49 | 311.43 |

## FIXED INTEREST

| | PRICE INDICES | Mon July 19 | Day's change % | Fri July 16 | xd adj. today | xd adj. 1982 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 113.74 | +0.44 | 113.56 | 0.31 | 6.92 |
| 2 | 5-15 years | 115.67 | +1.24 | 114.57 | 0.32 | 8.34 |
| 3 | Over 15 years | 120.88 | +1.36 | 119.26 | — | 7.64 |
| 4 | Irredeemables | 124.38 | +1.51 | 122.52 | — | 7.27 |
| 5 | All Stocks | 116.41 | +1.03 | 115.43 | 0.22 | 7.66 |
| 6 | Debentures & Loans | 90.75 | +1.13 | 90.36 | 0.63 | 6.46 |
| 7 | Preference | 66.25 | +0.10 | 66.39 | 0.21 | 3.79 |

| | AVERAGE GROSS REDEMPTION YIELDS | | Mon July 19 | Fri July 16 | Year ago (approx.) |
|---|---|---|---|---|---|
| | British Government | | | | |
| 1 | Low Coupons | 5 years | 10.41 | 10.65 | 12.83 |
| 2 | | 15 years | 12.15 | 12.11 | 13.53 |
| 3 | | 25 years | 12.18 | 12.41 | 13.79 |
| 4 | Medium Coupons | 5 years | 12.84 | 13.12 | 15.04 |
| 5 | | 15 years | 13.00 | 13.20 | 15.58 |
| 6 | | 25 years | 12.54 | 12.71 | 15.18 |
| 7 | High Coupons | 5 years | 12.94 | 13.18 | 15.10 |
| 8 | | 15 years | 13.18 | 13.39 | 15.76 |
| 9 | | 25 years | 12.65 | 12.81 | 15.37 |
| 10 | Irredeemables | † | 11.89 | 12.07 | 13.18 |
| 11 | Debs & Loans | 5 years | 14.19 | 14.32 | 15.95 |
| 12 | | 15 years | 14.22 | 14.28 | 16.13 |
| 13 | | 25 years | 14.22 | 14.26 | 16.14 |
| 14 | Preference | † | 15.80 | 14.95 | 16.07 |

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.
● Corrected figures for July 16.

## NEW HIGHS AND LOWS FOR 1982

### NEW HIGHS (135)

BRITISH FUNDS (52)
INT. BK. & O'SEAS GOVT. STLG. ISS. (4)
CORPORATION LOANS (12)
COM'WEALTH & AFRICAN LOANS (2)
LOANS (6)
AMERICANS (3)
BEERS (4)
BUILDINGS (3)
CHEMICALS (5)
DRAPERY & STORES (1)
ELECTRICALS (11)
ENGINEERING (4)
FOODS (3)
HOTELS (1)
INDUSTRIALS (12)
LEISURE (1)
MOTORS (3)
PAPER (1)
SHIPPING (1)
TEXTILES (2)
TRUSTS (2)
OIL & GAS (2)

### NEW LOWS (55)

AMERICANS (5)
Chase Manhattan, Transamerica, Rep. N.Y. Corp., Zapata, Tenneco
BANKS (4)
Brown Shipley, Sec. Pacific Corp., Joseph (Leopold), Wells Fargo
BUILDINGS (2)
Crouch Group, Francis Parker
STORES (4)
Lee Cooper, Walker (J.) N.V., Vantona, Waring & Gillow
ELECTRICALS (1)
Forward Tech.
ENGINEERING (5)
Bristol Channel, Green's Economiser, Brotherhood (P.), Moss Eng., Capper-Neill
FOODS (1)
England (J. E.)
INDUSTRIALS (7)
Ashley Indl. Tst., Solicitors Law, Francis Inds., Stag Furniture, G.R. Inds., Stonehill, I.C. Industries
INSURANCE (1)
Ins. Corp. Ireland
MOTORS (2)
Glanfield Lawrence, Jessups
PAPER (1)
Smith (David)
PROPERTY (4)
Allnatt London, Thames Inv. & Secs., Centrovincial, Do. 12pc Cnv. Pref.
TRUSTS (5)
Crescent Japan, Loda Inv. Inc., Genl. Funds Conv., Hambro Trust, Greenfriar Inv.
OIL & GAS (7)
Amer. Oil Fields, Gaelic Oil, British Can. Res., Gulfstream Res. Can., Cluff Oil, Penine Res., Double Eagle
RUBBERS (2)
Anglo-Indonesian, Kuala Kepong, Highlands, Malakoff
MINES (2)
Patino, Pahang

## OPTIONS

| First Deal-ings | Last Deal-ings | Last Declara-tion | For Settle-ment |
|---|---|---|---|
| July 12 | July 23 | Oct 14 | Oct 25 |
| July 26 | Aug 6 | Oct 28 | Nov 8 |
| Aug 9 | Aug 20 | Nov 11 | Nov 22 |

*For rate indications see end of Share Information Service*

Money was given for the call in Laganvale Estates, TI, Singlo, Huntley and Palmer, Charterhouse, United Scientific, London Investment Trust, United Engineering, Cope Allman, Fobel International, MFI, Black and Edgington, J. Hepworth, William Leech, Charterhall and Trident TV A. Puts were completed in Bowater, Audiotronic and Moss Engineering, while doubles were arranged in Charterhouse and Lonrho.

# WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on July 19, 1982. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, commercial rate; (ch) convertible rate; (F) free; (fn) financial rate; (exC) exchange certificate rate; (nc) non-commercial rate; (o) official rate; [illegible]

| PLACE AND LOCAL UNIT | | VALUE OF £ STERLING |
|---|---|---|
| Afghanistan | Afghani | [illegible] |
| Albania | Lek | [illegible] |
| Algeria | Dinar | [illegible] |
| Andorra | French Franc / Spanish Peseta | [illegible] |
| Angola | Kwanza | [illegible] |
| Antigua (S) | E. Caribbean $ | [illegible] |
| Argentina | Ar. Peso | [illegible] |
| Australia (S) | Australian $ | [illegible] |
| Austria | Schilling | [illegible] |
| Azores | Portugu'se Escudo | [illegible] |
| Bahamas | Ba. Dollar | [illegible] |
| Bahrain | Dinar | [illegible] |
| Balearic Isles | Spa. Peseta | [illegible] |
| Bangladesh | Taka | [illegible] |
| Barbados | Barbados $ | [illegible] |
| Belgium | B. Franc | [illegible] |
| Belize | B $ | [illegible] |
| Benin | C.F.A. Franc | [illegible] |
| Bermuda | Bda $ | [illegible] |
| Bhutan | Indian Rupee | [illegible] |
| Bolivia | Bolivian Peso | [illegible] |
| Botswana | Pula | [illegible] |
| Brazil | Cruzeiro | [illegible] |
| Brit. Virgin Isles | U.S. $ | [illegible] |
| Brunei | Brunei $ | [illegible] |
| Bulgaria | Lev | [illegible] |
| Burma | Kyat | [illegible] |
| Burundi | Burundi Franc | [illegible] |
| Camero'nRepublic | C.F.A. Franc | [illegible] |
| Canada | Canadian $ | [illegible] |
| Canary Islands | Spanish Peseta | [illegible] |
| Cape Verde Isle | Cape V. Escudo | [illegible] |
| Cayman Islands | Cay. Is. $ | [illegible] |
| Cent. Afr. Republic | C.F.A. Franc | [illegible] |
| Chad | C.F.A. Franc | [illegible] |
| Chile | C. Peso | [illegible] |
| China | Renminbi Yuan | [illegible] |
| Colombia | C. Peso | [illegible] |
| Comoro Islands | C.F.A. Franc | [illegible] |
| Congo (Brazaville) | C.F.A. Franc | [illegible] |
| Costa Rica | Colon | [illegible] |
| Cuba | Cuban Peso | [illegible] |
| Cyprus | Cyprus £ | [illegible] |
| Czechoslovakia | Koruna | [illegible] |
| Denmark | Danish Krone | [illegible] |
| Djibouti | Fr. | [illegible] |
| Dominica | E. Caribbean $ | [illegible] |
| Dominican Repub. | Dominican (Peso) | [illegible] |
| Ecuador | Sucre | [illegible] |
| Egypt | Egyptian £ | [illegible] |
| Equatorial Guinea | Ekuele | [illegible] |
| Ethiopia | Ethiopian Birr | [illegible] |
| Falkland Islands | Falkland Is £ | [illegible] |
| Faroe Islands | Danish Krone | [illegible] |
| Fiji Islands | Fiji $ | [illegible] |
| Finland | Markka | [illegible] |
| France | French Franc | [illegible] |
| French C'tyin Af | C.F.A. Franc | [illegible] |
| French Guiana | Local Franc | [illegible] |
| French Pacific Is. | C.F.P. Franc | [illegible] |
| Gabon | C.F.A. Franc | [illegible] |
| Gambia | Dalasi | [illegible] |
| Germany (East) | Ostmark | [illegible] |
| Germany (West) | Deutsch Mark | [illegible] |
| Ghana | Cedi | [illegible] |
| Gibraltar | Gibraltar £ | [illegible] |
| Greece | Drachma | [illegible] |
| Greenland | Danish Kroner | [illegible] |
| Grenada | E. Caribbean $ | [illegible] |
| Guadaloupe | Local Franc | [illegible] |
| Guam | U.S. $ | [illegible] |
| Guatemala | Quetzal | [illegible] |
| Guinea Republic | Syli | [illegible] |
| Guinea Bissau | Peso | [illegible] |
| Guyana | Guyanese $ | [illegible] |
| Haiti | Gourd | [illegible] |
| Honduras Repub. | Lempira | [illegible] |
| Hong Kong | H.K. $ | [illegible] |
| Hungary | Forint | [illegible] |
| Iceland | I. Krona | [illegible] |
| India | Ind. Rupee | [illegible] |
| Indonesia | Rupiah | [illegible] |
| Iran | Rial | [illegible] |
| Iraq | Iraqi Dinar | [illegible] |
| Irish Republic | Irish £ | [illegible] |
| Israel | Shekel | [illegible] |
| Italy | Lira | [illegible] |
| Ivory Coast | C.F.A. Franc | [illegible] |
| Jamaica | Jamaica Dollar | [illegible] |
| Japan | Yen | [illegible] |
| Jordan | Jordan Dinar | [illegible] |
| Kampuchea | Riel | [illegible] |
| Kenya | Kenya Shilling | [illegible] |
| Kiribati | Australian $ | [illegible] |
| Korea (Nth) | Won | [illegible] |
| Korea (Sth) | Won | [illegible] |
| Kuwait | Kuwait Dinar | [illegible] |
| Laos | New Kip | [illegible] |
| Lebanon | Lebanese £ | [illegible] |
| Lesotho | Loti | [illegible] |
| Liberia | Liberian $ | [illegible] |
| Libya | Libyan Dinar | [illegible] |
| Liechtenstein | Swiss Franc | [illegible] |
| Luxembourg | Lux Franc | [illegible] |
| Macao | Pataca | [illegible] |
| Madeira | Portug'se Escudo | [illegible] |
| Malagasy Republic | MG Franc | [illegible] |
| Malawi | Kwacha | [illegible] |
| Malaysia | Ringgit | [illegible] |
| Maldive Islands | Rufiyaa | [illegible] |
| Mali Republic | Mali Franc | [illegible] |
| Malta | Maltese £ | [illegible] |
| Martinique | Local Franc | [illegible] |
| Mauritania | Ouguiya | [illegible] |
| Mauritius | M. Rupee | [illegible] |
| Mexico | Mexican Peso | [illegible] |
| Miquelon | C.F.A. Franc | [illegible] |
| Monaco | French Franc | [illegible] |
| Mongolia | Tugrik | [illegible] |
| Montserrat | E. Caribbean $ | [illegible] |
| Morocco | Dirham | [illegible] |
| Mozambique | Metical | [illegible] |
| Nauru | Australian Dollar | [illegible] |
| Nepal | Nepalese Rupee | [illegible] |
| Netherlands | Guilder | [illegible] |
| Netherland Antilles | Antillian Guilder | [illegible] |
| New Zealand | N.Z. Dollar | [illegible] |
| Nicaragua | Cordoba | [illegible] |
| Niger Republic | C.F.A. Franc | [illegible] |
| Nigeria | Naira | [illegible] |
| Norway | Norway Krone | [illegible] |
| Oman Sul'ate of | Rial Omani | [illegible] |
| Pakistan | Pakistan Rupee | [illegible] |
| Panama | Balboa | [illegible] |
| Papua N.Guinea | Kina | [illegible] |
| Paraguay | Guarani | [illegible] |
| Peru | Sol | [illegible] |
| Philippines | Philippine Peso | [illegible] |
| Pitcairn Islands | £ Sterling / New Zealand $ | [illegible] |
| Poland | Zloty | [illegible] |
| Portugal | Portugu'se Escudo | [illegible] |
| Puerto Rico | U.S. $ | [illegible] |
| Qatar | Qatar Ryal | [illegible] |
| Reunion Ile de la | French Franc | [illegible] |
| Romania | Leu | [illegible] |
| Rwanda | Rwanda Franc | [illegible] |
| St. Christopher | E. Caribbean $ | [illegible] |
| St. Helena | St. Helena £ | [illegible] |
| St. Lucia | E. Caribbean $ | [illegible] |
| St. Pierre | Local Franc | [illegible] |
| St. Vincent | E. Caribbean $ | [illegible] |
| Salvador El | Colon | [illegible] |
| Samoa American | U.S. $ | [illegible] |
| San Marino | Italian Lira | [illegible] |
| Sao Tome & Prin. | Dobra | [illegible] |
| Saudi Arabia | Ryal | [illegible] |
| Senegal | C.F.A. Franc | [illegible] |
| Seychelles | S. Rupee | [illegible] |
| Sierra Leone | Leone | [illegible] |
| Singapore | Singapore $ | [illegible] |
| Solomon Islands | Solomon Is. $ | [illegible] |
| Somali Republic | Somali Shilling | [illegible] |
| South Africa | Rand | [illegible] |
| South West African Territories | S.A. Rand | [illegible] |
| Spain | Peseta | [illegible] |
| Spanish ports in North Africa | Peseta | [illegible] |
| Sri Lanka | S. L. Rupee | [illegible] |
| Sudan Republic | Sudan £ | [illegible] |
| Surinam | S. Guilder | [illegible] |
| Swaziland | Lilangeni | [illegible] |
| Sweden | S. Krona | [illegible] |
| Switzerland | Swiss Franc | [illegible] |
| Syria | Syria £ | [illegible] |
| Taiwan | New Taiwan $ | [illegible] |
| Tanzania | Tan. Shilling | [illegible] |
| Thailand | Baht | [illegible] |
| Togo Republic | C.F.A. Franc | [illegible] |
| Tonga Islands | Pa'anga | [illegible] |
| Trinidad | Trinidad & Tob. $ | [illegible] |
| Tunisia | Tunisian Dinar | [illegible] |
| Turkey | Turkish Lira | [illegible] |
| Turks & Caicos | U.S. $ | [illegible] |
| Tuvalu | Australian $ | [illegible] |
| Uganda | Uganda Shilling | [illegible] |
| United States | U.S. Dollar | [illegible] |
| Uruguay | Uruguay Peso | [illegible] |
| Utd. Arab Emirates | U.A.E. Dirham | [illegible] |
| U.S.S.R. | Rouble | [illegible] |
| Upper Volta | C.F.A. Franc | [illegible] |
| Vanuatu | Vatu / Aust. Dollar | [illegible] |
| Vatican | Italian Lira | [illegible] |
| Venezuela | Bolivar | [illegible] |
| Vietnam | Dong | [illegible] |
| Virgin Islands U.S. | U.S. Dollar | [illegible] |
| Western Samoa | Samoan Tala | [illegible] |
| Yemen (Nth) | Ryal | [illegible] |
| Yemen (Sth) | S. Yemen Dinar | [illegible] |
| Yugoslavia | New Y Dinar | [illegible] |
| Zaire Republic | Zaire | [illegible] |
| Zambia | Kwacha | [illegible] |
| Zimbabwe | Zimbabwe $ | [illegible] |

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 73.00. ** Rate is the transfer market (controlled). ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (1) Based on gross rates against Russian rouble. (1) Parallel exchange rate for essential imports. (2) Exports, non-essential imports and transfer. (3) Essential goods.

# CURRENCIES and MONEY

## Dollar weak

The dollar was sharply weaker in currency markets yesterday in reaction to a moderate rise in U.S. money supply. The increase was considerably below many expectations and Euro-dollar rates were lower as a result. Most of the dollar's losses occured in the Far East with trading in London showing a steadier trend at the new lower levels as the market prepared itself for today's statement by Mr Paul Volcker, U.S. Federal Reserve chairman. Sterling was firmer all round despite a continued decline in domestic interest rates.

**DOLLAR — Trade weighted index (Bank of England) 120.2 against 121.0 on Friday and 108.7 six months ago. Three-month Treasury bills 10.98 per cent (12.38 per cent six months ago). Annual inflation 6.7 per cent (6.6 per cent previous month)**—The dollar started to improve in late trading but still finished below Friday's levels. Against the D-mark it fell to DM 2.4685 from DM 2.4775 and SwFr 2.0990 compared with SwFr 2.1025. It was slightly firmer in terms of the Japanese yen at Y254.25 from Y254.0. The late improvement in London was continued in early New York trading, despite cuts to 16 per cent from 16½ per cent in U.S. banks' prime rates, helped to some extent by a little profit taking.

**STERLING—Trade weighted index 91.4 against 91.5 at noon and the opening and 90.8 on Friday (91.5 six months ago). Three-month interbank 12⅞ per cent (15½ per cent six months ago). Annual inflation 9.2 per cent (9.5 per cent previous month)**—Sterling opened at $1.7450 against the dollar but eased to $1.7380 before coming back to $1.7435. The dollar's late improvement saw sterling slip to $1.7370-1.7380 at the close, still an improvement of 1.5c. Sterling was also firmer against European currencies, closing at DM 4.29 compared with DM 4.27 and SwFr 3.65 from SwFr 3.6250. It also rose against the French franc to FFr 11.9125 from FFr 11.8550.

**D-MARK — EMS member (weakest). Trade weighted index 124.6 against 124.5 on Friday and 122.0 six months ago. Three-month interbank 9.425 per cent (10.475 per cent six months ago). Annual inflation 5.8 per cent (5.3 per cent previous month)**—The D-mark showed little overall change within the EMS yesterday. Attention was focussed on the weaker trend in the dollar following a sharp fall in Eurodollar rates. The Bundesbank sold a nominal $8.4m at the fixing where the dollar fell to DM 2.4647 from DM 2.4941 on Friday. The narrowing of interest rate differentials was also beneficial for the D-mark. Elsewhere sterling rose to DM 4.2940 from DM 4.2830 and the Swiss franc was higher at DM 1.1759 compared with DM 1.1745.

**DUTCH GUILDER — EMS member (second weakest). Trade-weighted index 115.8 against 115.7 on Friday and 114.6 six months ago. Three-month interbank 9⅛ per cent (10⅞ per cent six months ago). Annual inflation 6.5 per cent (6.3 per cent previous month)**—The Dutch guilder was slightly weaker overall at yesterday's fixing in Amsterdam but maintained a steady position against the D-mark. The latter was quoted at Fl 1.1031, little changed from Friday's figure of Fl 1.1030½, while the French franc slipped to Fl 39.62 per FFr 100 from Fl 39.645. Elsewhere the dollar fell to Fl 2.7190 from Fl 2.7495, but sterling improved to Fl 4.7370 from Fl 4.7280.

**JAPANESE YEN — Trade-weighted index 133.2 against 133.0 on Friday and 142.9 six months. Three-month bills 7.28125 per cent (6.59375 per cent six months ago). Annual inflation 2.3 per cent (2.8 per cent previous month)** — The dollar recovered from lows seen earlier in Tokyo yesterday.

### THE POUND SPOT AND FORWARD

| July 19 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.7350-1.7450 | 1.7370-1.7380 | 0.10-0.20c dis | -1.03 | 0.72-0.82dis | -1.77 |
| Canada | 2.1875-2.1990 | 2.1885-2.1895 | 0.80-0.70c dis | -3.56 | 2.02-2.12dis | -3.78 |
| Nethlnd. | 4.72-4.75 | 4.73½-4.74½ | 1½-1¼c pm | 3.80 | 4-3¾ pm | 3.16 |
| Belgium | 81.50-82.00 | 81.55-81.65 | 13-23c dis | -2.65 | 45-57 dis | -2.50 |
| Denmark | 14.81-14.86 | 14.82½-14.83½ | 1-2ore dis | -1.21 | 7-9 dis | -2.16 |
| Ireland | 1.2330-1.2405 | 1.2345-1.2355 | 0.47-0.60p dis | -5.16 | 1.65-1.84dis | -5.61 |
| W. Ger. | 4.27¼-4.30¼ | 4.29¼-4.29¾ | 1¾-1½pf pm | 3.85 | 3¾-3¼ pm | 3.26 |
| Portugal | 146.50-148.00 | 146.50-147.00 | 75-255c dis | -13.08 | 215-745dis | -13.08 |
| Spain | 183.50-184.50 | 183.75-183.85 | 100-145c dis | -7.59 | 295-455 dis | -8.67 |
| Italy | 2,392-2,404 | 2,395-2,396 | 13-16lire dis | -7.27 | 45-49 dis | -7.93 |
| Norway | 10.96-11.03 | 10.96½-10.97½ | 5½-6½ore dis | -6.49 | 9¾-11 dis | -3.71 |
| France | 11.89-11.93 | 11.90½-11.91½ | 2-3c dis | -2.52 | 9¾-10¼ dis | -3.44 |
| Sweden | 10.60-10.65 | 10.60-10.61 | 1½-2½ore dis | -1.91 | 5½-6½ dis | -2.12 |
| Japan | 440-444 | 441½-442½ | 2.30-2.20y pm | 6.11 | 5.85-5.45 pm | 5.02 |
| Austria | 30.10-30.25 | 30.12-30.17 | 12½-9gro pm | 4.28 | 30-23½ pm | 3.57 |
| Switz. | 3.63-3.67 | 3.64½-3.65½ | 3½-2½c pm | 9.86 | 7½-7¼ pm | 8.22 |

Belgian rate is for convertible francs. Financial franc 87.40-87.50. Six-month forward dollar 1.72-1.82c dis. 12-month 3.25-3.45c dis.

### THE DOLLAR SPOT AND FORWARD

| July 19 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.7350-1.7450 | 1.7370-1.7380 | 0.10-0.20c dis | -1.03 | 0.72-0.82dis | -1.77 |
| Ireland† | 1.3900-1.4000 | 1.3900-1.3915 | 0.54-0.44c pm | 4.21 | 1.41-1.26 pm | 3.83 |
| Canada | 1.2590-1.2615 | 1.2590-1.2615 | 0.25-0.30c dis | -2.71 | 0.62-0.67dis | -2.04 |
| Nethlnd. | 2.7150-2.7245 | 2.7225-2.7245 | 1.17-1.07c pm | 4.94 | 3.33-3.29 pm | 4.91 |
| Belgium | 46.93-47.02 | 46.96-46.97 | 3-5c dis | -1.02 | 5-7 dis | -0.51 |
| Denmark | 8.5125-8.5350 | 8.5300-8.5350 | 0.00-0.15ore pm | 0.20 | 0.25-0.75dis | -0.23 |
| W. Ger. | 2.4600-2.4700 | 2.4680-2.4690 | 1.00-0.95pf pm | 4.74 | 3.07-3.02 pm | 4.93 |
| Portugal | 84.20-84.65 | 84.30-84.55 | 40-140c dis | -12.76 | 95-380 dis | -11.10 |
| Spain | 111.20-111.55 | 111.35-111.45 | 50-60c dis | -5.92 | 170-190 dis | -6.46 |
| Italy | 1,377¾-1,380 | 1,378¼-1,379¼ | 6½-7½lire dis | -6.20 | 20½-22½ dis | -6.09 |
| Norway | 6.3050-6.3270 | 6.3140-6.3190 | 2.80-3.30ore dis | -5.70 | 8.80-9.30dis | -5.70 |
| France | 6.8450-6.8700 | 6.8550-6.8600 | 0.70-0.95c dis | -1.44 | 2.40-2.90dis | -1.54 |
| Sweden | 6.0980-6.1120 | 6.1000-6.1050 | 0.55-0.70ore dis | -1.28 | 1.00-1.30dis | -0.72 |
| Japan | 253.10-256.30 | 254.20-254.30 | 1.58-1.43y pm | 7.10 | 4.40-4.25 pm | 6.80 |
| Austria | 17.32-17.36 | 17.35-17.36 | 9-7½gro pm | 5.70 | 25½-22½ pm | 5.47 |
| Switz. | 2.0910-2.1020 | 2.0985-2.0995 | 1.73-1.68c pm | 10.86 | 5.31-5.23 pm | 10.04 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

### CURRENCY MOVEMENTS

| July 19 | Bank of England Index | Morgan Guaranty Changes% |
|---|---|---|
| Sterling | 91.4 | -32.0 |
| U.S. dollar | 120.2 | -11.4 |
| Canadian dollar | 87.3 | -19.5 |
| Austrian schilling | 117.2 | -26.6 |
| Belgian franc | 95.9 | -1.5 |
| Danish kroner | 82.0 | -14.5 |
| Deutsche mark | 124.6 | +49.2 |
| Swiss franc | 145.3 | +96.0 |
| Guilder | 115.3 | +23.3 |
| French franc | 73.7 | -20.4 |
| Lira | 53.7 | -58.9 |
| Yen | 133.2 | +26.9 |

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

### CURRENCY RATES

| July 19 | Bank rate % | Special Drawing Rights | European Currency Units |
|---|---|---|---|
| Sterling | — | 0.628923 | 0.550518 |
| U.S. $ | 12 | 1.09235 | 0.959547 |
| Canadian $ | 16.17 | — | 1.20836 |
| Austria Sch. | 6¾ | 18.9392 | 16.6317 |
| Belgian F. | 14 | 51.3049 | 45.0603 |
| Danish Kr. | 11 | 9.31501 | 8.17294 |
| D mark | 7½ | 2.69108 | 2.36288 |
| Guilder | 8 | 2.97010 | 2.60805 |
| French Fr. | 9½ | 7.48661 | 6.57722 |
| Lira | 19 | 1506.62 | 1323.22 |
| Yen | 5½ | 276.474 | 242.345 |
| Norwgn. Kr. | 9 | N.A | 6.06098 |
| Spanish Pts. | 8 | 121.742 | 106.913 |
| Swedish Kr. | 10 | 6.67644 | 5.86091 |
| Swiss Fr. | 5½ | 2.28957 | 2.00977 |
| Greek Dr'ch. | 20½ | 75.5255 | 66.6070 |

* CS/SDR rate for July 16: 1.37116

### OTHER CURRENCIES

| July 19 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | †35,429 | †20,350 | Austria | 30.10-30.40 |
| AustraliaDollar | 1.7140-1.7160 | 0.9870-0.9875 | Belgium | 87.15-88.15 |
| Brazil Cruzeiro | 311.15-312.15 | 178.57-179.46 | Denmark | 14.79-14.93 |
| Finland Markka | 8.2175-8.2250 | 4.7220-4.7240 | France | 11.89-11.99 |
| Greek Drachma | 118.855-122.451 | 69.20-69.40 | Germany | 4.27-4.31 |
| Hong Kong Dollar | 10.19-10.20½ | 5.8650-5.8680 | Italy | 2370-2410 |
| IranRial | *145.50 | *84.80 | Japan | 442-447 |
| KuwaitDinar(KD) | 0.5011-0.5016 | 0.2876-0.2877 | Netherlands | 4.71½-4.75½ |
| Luxembourg Fr. | 81.55-81.65 | 46.95-46.97 | Norway | 10.96-11.06 |
| Malaysia Dollar | 4.0760-4.0860 | 2.3460-2.3490 | Portugal | 143½-159 |
| New Zealand Dlr. | 2.3365-2.3415 | 1.3460-1.3475 | Spain | 185¾-195½ |
| Saudi Arab. Riyal | 5.9920-5.9980 | 3.4390-3.4400 | Sweden | 10.58-10.68 |
| Singapore Dollar | 3.7120-3.7220 | 2.1370-2.1390 | Switzerland | 3.63½-3.67½ |
| Sth. African Rand | 1.9895-1.9910 | 1.1450-1.1460 | United States | 1.73-1.75 |
| U.A.E. Dirham | 6.3965-6.4055 | 3.6710-3.6740 | Yugoslavia | 82½-96 |

* Selling rate.

† Rate shown for Argentina is commercial. Financial rate: 65,311-65,351 against sterling 37,500-37,50 against dollar.

### EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU July 19 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc | 44.9704 | 45.0603 | +0.20 | -0.02 | ±1.5501 |
| Danish Krone | 8.23400 | 8.17294 | -0.74 | -0.96 | ±1.6430 |
| German D-Mark | 2.33379 | 2.36288 | +1.25 | +1.03 | ±1.0888 |
| French Franc | 6.61387 | 6.57722 | -0.55 | -0.77 | ±1.3940 |
| Dutch Guilder | 2.57971 | 2.60805 | +1.10 | +0.88 | ±1.5004 |
| Irish Punt | 0.691011 | 0.686371 | -0.67 | -0.89 | ±1.6691 |
| Italian Lira | 1350.27 | 1323.22 | -2.00 | -2.00 | ±4.1369 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

### EXCHANGE CROSS RATES

| July 19 | Pound St'rling | U.S. Dollar | Deutschem'k | JapaneseYen | FrenchFranc | Swiss Franc | Dutch Guild' | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1 | 1.738 | 4.290 | 442.0 | 11.913 | 3.650 | 4.740 | 2395. | 2.189 | 81.60 |
| U.S. Dollar | 0.576 | 1. | 2.469 | 254.4 | 6.856 | 2.101 | 2.728 | 1378. | 1.260 | 46.96 |
| Deutschemark | 0.233 | 0.405 | 1. | 103.0 | 2.777 | 0.851 | 1.105 | 558.3 | 0.510 | 19.02 |
| Japanese Yen 1,000 | 2.262 | 3.931 | 9.706 | 1000. | 26.95 | 8.258 | 10.72 | 5419. | 4.952 | 184.6 |
| French Franc 10 | 0.839 | 1.459 | 3.601 | 371.0 | 10. | 3.064 | 3.979 | 2010. | 1.838 | 68.50 |
| Swiss Franc | 0.274 | 0.476 | 1.175 | 121.1 | 3.264 | 1. | 1.299 | 656.2 | 0.600 | 22.36 |
| Dutch Guilder | 0.211 | 0.367 | 0.905 | 93.25 | 2.513 | 0.770 | 1. | 505.3 | 0.462 | 17.22 |
| Italian Lira 1,000 | 0.418 | 0.735 | 1.791 | 184.6 | 4.974 | 1.524 | 1.979 | 1000. | 0.914 | 34.07 |
| Canadian Dollar | 0.457 | 0.794 | 1.960 | 201.9 | 5.442 | 1.667 | 2.165 | 1094. | 1. | 37.28 |
| Belgian Franc 100 | 1.226 | 2.129 | 5.257 | 541.7 | 14.60 | 4.473 | 5.809 | 2935. | 2.683 | 100. |

### FT LONDON INTERBANK FIXING (11.00 a.m. JULY 19)

| 3 months U.S. dollars | | 6 months U.S. dollars | |
|---|---|---|---|
| bid 14 3/16 | offer 14 5/16 | bid 14 1/2 | offer 14 5/8 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rate for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### EURO-CURRENCY INTEREST RATES (Market closing Rates)

| July 19 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | D-mark | French Franc | Italian Lira | Belgian Franc Conv. | Belgian Franc Fin. | Yen | Danish Krone |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 12½-12¾ | 12-12¼ | 15½-16½ | 8¾-8⅞ | ½-1 | 8⅝-8¾ | 14¼-14⅞ | 17-19 | 12½-14 | 14⅛-14⅝ | 6⅝-6⅞ | 13⅞-15⅜ |
| 7 day's notice | 12½-12¾ | 12⅝-12¾ | 15⅝-16½ | 8½-8⅞ | ⅝-1⅛ | 8⅝-8¾ | 14⅜-14⅞ | 18-19½ | 15½-15 | 14⅞-15⅛ | 6⅝-6⅞ | 13⅝-14⅞ |
| Month | 12⅝-12¾ | 13-13⅛ | 15½-15⅝ | 8⅝-8⅞ | 3⅛-3⅜ | 8⅝-8⅞ | 14⅝-14⅞ | 19½-20 | 14½-15½ | 15-15⅛ | 6⅞-7 | 13⅝-14⅞ |
| Three months | 12⅞-12⅝ | 13⅞-14⅛ | 16-16¼ | 8¾-9⅛ | 3½-3⅞ | 8⅞-9 | 15⅜-15⅞ | 20¼-20⅞ | 14¾-15⅛ | 15¼-15¾ | 7¼-7⅝ | 14⅜-16⅛ |
| Six months | 12¼-12⅜ | 14¼-14½ | 16⅜-16½ | 9⅛-9⅜ | 5-5⅛ | 9¼-9½ | 16⅜-16⅞ | 20-21½ | 14¾-15⅛ | 15¼-15¾ | 7⅝-7⅞ | 16-17½ |
| One Year | 12⅜-12½ | 14⅛-14½ | 16½-16½ | 9⅜-9½ | 5¼-5⅜ | 9⅛-9¼ | 17⅛-17⅞ | 21⅝-22⅛ | 14¾-15⅛ | 15-15⅛ | 7¼-7⅝ | 17-18½ |

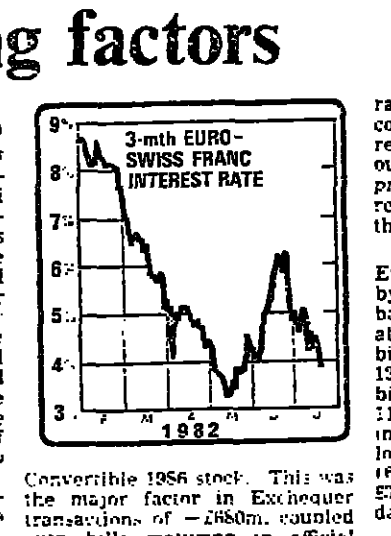
SDR linked deposits one month 11⅞-12⅛ per cent; three months 12¼-12⅝ per cent; six months 12½-12⅞ per cent; one year 12⅝-12⅞ per cent.
ECU linked deposits one month 11⅞-12¼ per cent; three months 12⅛-12½ per cent; six months 12½-12⅞ per cent; one year 12⅞-13⅛ per cent.
Asian $ (closing rates in Singapore) one month 12½-13⅛ per cent; three months 14⅛-14⅜ per cent; six months 14½-14⅝ per cent; one year 14⅝-14⅝ per cent.
Long-term Eurodollar two years 14⅞-15 per cent; three years 14⅞-15 per cent; four years 14⅞-15 per cent; five years 14⅞-15⅛ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.
The following rates were quoted for London dollar certificates of deposit: one month 13.10-13.20 per cent; three months 13.55-13.65 per cent; six months 13.70-13.80 per cent; one year 13.70-13.80 per cent.

### MONEY MARKETS

## Conflicting factors

**UK clearing bank base lending rate 12 per cent (since July 14)**

Conflicting factors were at work in the London money market yesterday, but the overall trend was for a decline in short-term interest rates. This was encouraged by the end of the strike on British Rail, but owed most of its impetus to the better than expected U.S. M1 money supply figures last week leading to hopes of a cut in the Federal Reserve discount rate, and increased optimism about the tone of the speech to be made by Mr Paul Volcker, chairman of the Federal Reserve Board, to Congress today.




In the London interbank market three-month money fell to 12⅝ per cent from 12¾ per cent, and 12-month to 12⅜ per cent from 12½ per cent.

*On the other hand the downward trend in London was tempered by the exceptional shortage of day-to-day credit.* A shortage of around £1bn was forecast by the Bank of England, with about half that figure resulting from the call on 12⅜ per cent Treasury Convertible 1986 stock. This was the major factor in Exchequer transactions of −£680m, coupled with bills maturing in official hands and a net take-up of Treasury bills — £430m. These *were partly offset by a fall in* the note circulation of £100m.

Against a background of falling interest rates, and a further cut in Bank of England bill dealing rates for bands 3 and 4 discount houses were again rather reluctant to part with their bills outright, and the authorities *provided another substantial* repurchase agreement as part of the day's assistance.

In the morning the Bank of England bought £155m of bills by way of £11m bank bills in band 1 (up to 14 days maturity) at 12⅛ per cent; £102m bank bills in band 2 (15-33 days) at 12 per cent; £31m local authority bills in band 3 (34-63 days) at 11⅞ per cent; £2m bank bills in band 3 at 11⅞ per cent; £10m local authority bills in band 4 (64-91 days) at 11⅝ per cent; and £32m bank bills in band 4 (64-91 days) at 11⅝-11¾ per cent.

After lunch the authorities gave further help of £757m, making a total for the day of *£925m, and leaving the market* slightly short of funds overall, with the interbank overnight rate firm at 15 per cent until near the close.

### EUROCURRENCIES

## Sharp fall in rates

Eurodollar interest rates fell quite sharply yesterday, leading to a general downward trend, including Eurosterling, D-marks and Swiss francs. A rise of only $5.9bn in U.S. M1 money supply last week, compared with market estimates ranging up to $10bn, pushed down Eurodollar rates *and depressed the dollar against* other major currencies in spot foreign exchange trading.

Despite the easing of sterling, D-mark and Swiss franc interest rates, this was not enough to *counter the decline in Eurodollar* rates and the weakness of the dollar in the spot market. Against this background the forward premiums of the stronger European currencies tended to narrow, and the Japanese yen showed *a similar trend.* The downward move in Eurocurrency rates was encouraged during the afternoon as cuts were announced in U.S. banks' prime lending rates.

### MONEY RATES

**NEW YORK**

| | |
|---|---|
| Prime rate | 16-16½ |
| Fed funds (lunch-time) | 12½-12¾ |
| Treasury bills (13-week) | 10.92 |
| Treasury bills (26-week) | 11.34 |

**GERMANY**

| | |
|---|---|
| Lombard | 9.00 |
| Overnight rate | 8.95 |
| One month | 9.325 |
| Three months | 9.425 |
| Six months | 9.50 |

**FRANCE**

| | |
|---|---|
| Intervention rate | 14.75 |
| Overnight rate | 15.60 |
| One month | 14.6875 |
| Three months | 14.6875 |
| Six months | 14.5625 |

**JAPAN**

| | |
|---|---|
| Discount rate | 5.5 |
| Call (unconditional) | 7.28125 |
| Bills discount (three-month) | 7.20125 |

### LONDON MONEY RATES

| July 19 1982 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposits | Discount Market Deposits | Treasury Bills † | Eligible Bank Bills ‡ | Fine Trade Bills ‡ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 12½-15 | 12⅞ | — | — | 12⅞-13 | 12-13 | — | — | — |
| 2 days notice | — | — | 12⅞-12¾ | — | — | — | — | — | — | — |
| 7 days or | — | — | — | — | — | — | — | — | — | — |
| 7 days notice | — | 12⅝-12¾ | 12¾-13⅛ | — | — | 12⅞-12⅞ | 12 | — | — | — |
| One month | 12⅝-12½ | 12¾-12¾ | 12¾ | 12⅞-12¾ | 12⅝ | 12 | 12 | 12-12¼ | 12¼ | 12¾ |
| Two months | 12⅝-12½ | 12⅝-12½ | | 12¾-12½ | 12½ | 12 | 11 | 11⅞-11 | 11 | 12½ |
| Three months | 12½-12 | 12½-12½ | 12½ | 12⅝-12½ | 12½ | 12½ | 11 | 11-11¼ | 11 | 12 |
| Six months | 12-11¾ | 12-12 | 12⅛ | 11⅞-11¾ | 12½ | | — | — | 11½-11 | 12 |
| Nine months | 12-11 | 12-12 | | 12⅛-12 | 12½ | | | — | | |
| One year | 12½-11½ | 12-12½ | 12⅛ | 12⅛-12 | 12½ | | — | — | | |
| Two years | | | 12½ | | | | | | | |

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 13 per cent; four years 13⅛ per cent; five years 13⅛ per cent. ‡ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅞-11⅝ per cent; four months trade bills 12⅛ per cent.

Approximate selling rate for one month Treasury bills 11⅞-11⅝ per cent; two months 11⅝-11⅝ per cent; three months 11⅝-11½ per cent. Approximate selling rate for one month bank bills 11⅞ per cent; two months 11⅞-11⅝ per cent and three months 11⅝-11⅝ per cent; one month trade bills 12½ per cent; two months 12⅛ per cent; three months 11⅞ per cent.

**Finance Houses Base Rates** (published by the Finance Houses Association) 13½ per cent from July 1 1982. **London and Scottish Clearing Bank Rates** for lending 12 per cent. **London Clearing Bank Deposit Rates** for sums at seven days' notice 9 per cent. **Treasury Bills**: Average tender rates of discount 11.6329 per cent. Certificates of Deposit (Series 5) 12½ per cent from July 15. Deposits withdrawn for cash 10½ per cent.

# FT UNIT TRUST INFORMATION SERVICE

## AUTHORISED TRUSTS

[illegible]

### NOTES

[illegible]

# INSURANCES

### Abbey Life Assurance Co. Ltd. (z)
1-3 St. Paul's Churchyard, EC4P 4DX. 01-248 9111

| | | | | |
|---|---|---|---|---|
| Property Fund | 228.7 | 240.8 | ..... | — |
| Equity Fund | 49.6 | 52.3 | +0.6 | — |
| Property Acc. | 267.9 | 282.1 | ..... | — |
| Equity Acc. | 49.1 | 51.7 | +0.4 | — |
| Selective Fund | 148.3 | 156.2 | +0.8 | — |
| Money Fund | 167.6 | 176.5 | ..... | — |
| Convertible Fund | 179.9 | 189.4 | ..... | — |
| Prop. Fd. Ser. 4 | 211.1 | 222.3 | ..... | — |
| Equity Ser. 4 | 55.2 | 58.2 | +0.5 | — |
| Man. Ser. 4 | 200.6 | 211.2 | +1.4 | — |
| Money Ser. 4 | 152.0 | 160.1 | ..... | — |
| Conv. Ser. 4 | 152.2 | 160.3 | ..... | — |
| Fixed Int. Fd. Ser. 4 | 121.6 | 128.0 | +1.8 | — |
| American Ser. 4 | 110.9 | 116.8 | ..... | — |
| High Inc. Ser. 4 | 116.0 | 122.2 | +0.6 | — |
| Indexed Inv. Series 4 | 97.0 | 102.2 | ..... | — |
| Pension Property | 319.8 | 336.7 | ..... | — |
| Pension Equity | 287.6 | 302.8 | +2.8 | — |
| Pension Selective | 149.8 | 157.7 | +0.8 | — |
| Pension Managed | 299.5 | 315.3 | +2.5 | — |
| Pension Security | 224.3 | 236.3 | ..... | — |
| Pension Fixed Int. | 118.9 | 125.2 | +1.6 | — |
| Pension Indexed Inv. | 97.2 | 102.4 | ..... | — |

### Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

| | | | | |
|---|---|---|---|---|
| Equity Fd. Acc. | 319.3 | 336.0 | +0.7 | — |
| Fixed Int. Acc. | 201.2 | 211.8 | +0.6 | — |
| Gtd. Money Fd. Ac. | 157.4 | 165.6 | +0.1 | — |
| Intl. Man. Fd. Acm. | 140.2 | 147.5 | +0.3 | — |
| Intl. Fxd. Int. Fd. | 109.6 | 115.3 | +0.6 | — |
| Prop. Fd. Acc. | 159.8 | 168.2 | +0.1 | — |
| M'ple Inv. Acc. | 249.9 | 263.0 | +0.6 | — |
| Equity Pen.Fd.Acc. | 438.3 | 461.3 | +1.1 | — |
| Fixed I.Pen.Acc. | 327.2 | 344.4 | +1.2 | — |
| G'td.Mon.Pen.Acc. | 218.9 | 230.4 | +0.3 | — |
| Intl.Mn.PnFdAcc | 161.6 | 170.0 | +0.3 | — |
| Prop.Pen.Acc. | 211.3 | 222.3 | +0.1 | — |
| M'ple Inv.Pen.Acc | 363.0 | 382.1 | +1.2 | — |

### Crown Life—Continued

| | | | | |
|---|---|---|---|---|
| St. George Mangd. Fd. | 110.7 | 116.5 | ..... | — |
| Lincs & Gen. Fd. | 114.8 | 120.8 | ..... | — |
| Sage Fd. | 85.5 | 90.0 | ..... | — |
| Heritage Fd. | 99.3 | 104.5 | ..... | — |
| DBS Managed | 104.2 | 109.6 | ..... | — |
| Crown. Brit. Inv. A | | 217.2 | ..... | — |
| Pens. Mixed. Fd. | 151.9 | 157.4 | +2.5 | — |
| Pens. Mang'd. Acc. | 113.2 | 119.1 | +1.7 | — |
| Pens. Mang'd. Init. | 109.0 | 114.7 | +1.6 | — |
| Pens. Equity Acc. | 102.3 | 107.6 | +1.5 | — |
| Pens. Equity Init. | 98.2 | 103.3 | +1.5 | — |
| Pens. Fxd. Int. Acc. | 110.9 | 116.7 | +1.3 | — |
| Pens. Fxd. Int. Init. | 106.8 | 112.4 | +1.3 | — |
| Pens. Money Acc. | 109.8 | 115.5 | +0.2 | — |
| Pens. Money Init. | 105.5 | 111.0 | +0.2 | — |

### Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N 4DJ 488 2323

| | | | | |
|---|---|---|---|---|
| Growth Prop July 6 | 101.1 | 111.2 | ..... | — |
| Managed Pens. June 9 | 117.24 | 123.41 | ..... | — |

### Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

| | | | | |
|---|---|---|---|---|
| Eagle/Mid. Units | 79.8 | 82.7 | +0.9 | 6.02 |

### Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

| | | | | |
|---|---|---|---|---|
| UK Equities Fund | 189.4 | 199.3 | +2.4 | — |
| Higher Inc. Fund | 127.4 | 137.7 | +1.6 | — |
| Property Fund | 192.3 | 202.4 | ..... | — |
| Fixed Interest Fund | 147.1 | 154.8 | +1.8 | — |
| Index Linked Secs Fnd. | 93.6 | 98.5 | ..... | — |
| Gtd. Deposit Fund | 136.1 | 143.2 | ..... | — |
| Nth. America Fund | 105.3 | 110.8 | −0.7 | — |
| Far East Fund | 83.0 | 87.3 | +0.7 | — |
| International Fund | 97.7 | 102.8 | +0.4 | — |
| Mixed Fund | 169.5 | 178.4 | +1.5 | — |

### Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

| | | | | |
|---|---|---|---|---|
| Ind. Pen. Equity | 186.2 | 195.9 | ..... | — |
| Ind. Pen. Property | 145.6 | 153.2 | ..... | — |
| Ind. Pen. Fixed Int. | 140.5 | 148.3 | ..... | — |
| Ind. Pen. Indx Lk. Sec. | 102.8 | 108.2 | ..... | — |
| Ind. Pen. Overseas | 146.0 | 153.6 | ..... | — |

# INSURANCE & OVERSEAS MANAGED FUNDS

### Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

| | | | | |
|---|---|---|---|---|
| LACOP Units | 11.95 | 12.53 | ..... | — |

### Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-920 0202

| | | | | |
|---|---|---|---|---|
| Multi Gwth. July 6 | | £2.02920 | ..... | — |
| MltiGwth ACap July 12 | 202.92 | 213.60 | ..... | — |
| Op. 8 Prop. A July 15 | 226.4 | 238.4 | ..... | — |
| Op. 8 Equity July 15 | 217.7 | 229.2 | ..... | — |
| Op. 8 Hy. July 15 | 202.0 | 212.7 | ..... | — |
| Op. 8 Man. July 15 | 234.4 | 246.8 | ..... | — |
| Op. 8 Dep. July 15 | 170.0 | 179.0 | ..... | — |
| Op. In. 8 July 15 | 117.8 | 124.0 | ..... | — |
| Op. 8 Inc. 0 July 8 | 102.7 | 108.2 | ..... | — |
| Op. In. Mid July 15 | 118.1 | 124.4 | ..... | — |
| U.S. $ F.I. July 15 | 109.0 | 114.8 | ..... | — |
| 0 & G Pp. Fd. July 15 | 98.0 | 103.2 | ..... | — |
| Pens. Pr. Ac. July 15 | 237.5 | 250.1 | ..... | — |
| Pens.Pr.Cp. July 15 | 179.3 | 188.8 | ..... | — |
| Pens.Eq.Ac. July 15 | 565.0 | 594.8 | ..... | — |
| Pens.Eq.Cp. July 15 | 426.6 | 449.1 | ..... | — |
| Pens.Fxd.Ac. July 15 | 274.4 | 288.9 | ..... | — |
| Pens. Fxd. July 15 | 207.2 | 218.1 | ..... | — |
| Pns.Mng.Ac. July 15 | 378.3 | 398.3 | ..... | — |
| Pens.Mng.Cp. July 15 | 285.6 | 230.7 | ..... | — |
| Pens. Dp. Ac. July 15 | 245.5 | 258.5 | ..... | — |
| Pens. Dp. Cp. July 15 | 185.4 | 195.2 | ..... | — |

### Britannia Funds—Series A

| | | | | |
|---|---|---|---|---|
| Am.Smlr.Co's July 14 | 85.5 | 90.1 | ..... | — |
| Am.Spec.Sits. July 14 | 102.2 | 107.6 | ..... | — |
| Commodity July 14 | 55.8 | 58.8 | ..... | — |
| Extra Inc. July 14 | 88.6 | 93.3 | ..... | — |
| Far East July 14 | 84.2 | 88.7 | ..... | — |
| Fin. Secs. July 14 | 104.1 | 109.7 | ..... | — |
| Gold & Gen July 14 | 50.6 | 53.3 | ..... | — |
| Growth July 14 | 79.7 | 83.9 | ..... | — |
| Inc. & Growth July 14 | 102.2 | 107.6 | ..... | — |

### Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

NUIG (Managed Funds) Ltd.

| | | | | |
|---|---|---|---|---|
| Managed Fund | 329.1 | 346.4 | +3.2 | — |
| Equity Fund | 542.6 | 571.1 | +6.4 | — |
| Property Fund | 215.7 | 227.0 | ..... | — |
| Fixed Int. Fund | 211.1 | 222.2 | +2.7 | — |
| Deposit Fund | 150.1 | 158.0 | +0.1 | — |

Norwich Union Life Insurance Society Pensionvestor

| | | | | |
|---|---|---|---|---|
| Fixed Interest* | 123.8 | 130.3 | ..... | — |
| Ordinary Share* | 120.6 | 126.9 | ..... | — |
| Property* | 108.2 | 113.8 | ..... | — |
| Deposit* | 104.5 | 110.0 | ..... | — |
| Index Linked Secs.* | 103.8 | 109.2 | ..... | — |
| Mixed* | 117.8 | 124.0 | ..... | — |

Prices at July 13.

| | | | | |
|---|---|---|---|---|
| Nor. Units July 15 | | 304.0 | ..... | — |

### Pearl Assurance (Unit Funds) Ltd.
252 High Holborn, WC1V 7EB. 01-405 8441

| | | | | |
|---|---|---|---|---|
| Inv. Prop. Dist. | 132.9 | 139.9 | ..... | — |
| Inv. Prop. Acc. | 176.4 | 185.7 | ..... | — |
| Inv. Equity | 173.2 | 182.4 | ..... | — |
| Inv. Managed | 159.7 | 168.2 | ..... | — |

Pearl Assurance (Unit Linked Pensions) Ltd.

| | | | | |
|---|---|---|---|---|
| Ret. Managed | 131.6 | 138.6 | ..... | — |

### Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876

| | | | | |
|---|---|---|---|---|
| Wealth Ass. | 178.0 | 187.5 | ..... | — |
| Eb'r. Ph.Eq.E. | 112.2 | 119.4 | ..... | — |

### Pioneer Mutual Insurance Co. Ltd.
16, Crosby Rd., N. Waterloo, L'pool 051-928 6655

| | | | | |
|---|---|---|---|---|
| Managed Fund | 118.7 | 126.0 | ..... | — |

### Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

| | | | | |
|---|---|---|---|---|
| Granville Inv. Tst. | 16.12 | 6.47 | −0.32 | 5.02 |

Next dealing day July 15.

### Guinness Mahon Int. Fund (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.

| | | | | |
|---|---|---|---|---|
| US$ Price | $18.67 | 19.29 | ..... | 8.92 |
| £ Sterling Equivalent | 10.93 | 11.26 | ..... | 10.66 |
| S.D.R. Equivalent | 17.26 | 17.78 | ..... | 9.37 |

Prices at July 8. Next dealing July 22.

### Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

| | | | | |
|---|---|---|---|---|
| Far East July 14 | HK$21.15 | 22.67 | ..... | — |
| Japan Fund July 16 | $8.44 | 9.04 | ..... | — |

### Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

| | | | | |
|---|---|---|---|---|
| Capital Reserve Fd.† | £15.10 | 15.11 | ..... | 0.22 |
| C.I. Fund | 225.1 | 239.7 | ..... | 3.17 |
| Special Sits. Fund | 80.5 | 84.8 | ..... | 3.18 |
| Sterling Income Fund* | 105.7 | 110.3 | ..... | 13.60 |
| Dollar Income Fund | $0.967 | 1.011 | ..... | 13.50 |
| Trans. Nat. Trust | $0.869 | 0.915 | ..... | 3.50 |
| Intnl. Bond | $99.74 | 104.99 | ..... | 10.06 |
| Int. Equity | $13.33 | 14.03 | ..... | 1.89 |
| Int. Svgs. 'A' $US | $1.39 | 1.46 | ..... | — |
| Int. Svgs. 'B' | $1.43 | 1.50 | ..... | — |
| Galleon Ass. Fund 'A' | $1.021 | 1.022 | ..... | — |
| Galleon Ass. Fund 'B' | $1.003 | 1.004 | ..... | — |

†Excludes initial charge on small orders.

### Henderson Admin. & Man. (Guernsey)
7 New St., St. Peter Port, Guernsey 0481 26541/2

| | | | | |
|---|---|---|---|---|
| American (US cents) | 108.0 | 113.7 | ..... | — |
| Nrl. Res. (U.S. cents) | 93.2 | 98.0 | −3.0 | — |
| Gilt Fund† | 9.20 | 9.76 | ..... | 12.81 |

### Henderson Baring Group
801, Gloucester Tower, 11, Pedder St., Hong Kong.

| | | | | |
|---|---|---|---|---|
| Australia* | $6.94 | 7.48 | ..... | — |
| Japan Tech. | $15.32 | 16.37 | ..... | — |
| Japan Fund | $22.53 | 24.07 | ..... | — |
| Malay Sing. | $16.63 | 17.91 | ..... | — |
| Pacific Fd. | $11.031 | 11.582 | ..... | — |
| Bond Fd. | $9.973 | 10.471 | ..... | 10.00 |

### Quest Fund Man. (Jersey) Ltd.
P.O. Box 194, St. Helier, Jersey. 0534 27441.

| | | | | |
|---|---|---|---|---|
| Quest Stlg. Fxd. Int. | £0.754 | 0.798 | ..... | 11.26 |
| Quest Intl. Secs. | $0.779 | 0.838 | ..... | 1.43 |
| Quest Intl. Bd. | $0.800 | 0.847 | ..... | 12.99 |

Prices on July 14. Next dealing July 21.

### Quilter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH. 01-600 4177

| | | | | |
|---|---|---|---|---|
| Resc. Fd. Inc. July 1 | [illegible] | *530 | ..... | 1.9 |

Next dealing date August 2.

### RBC Investment Managers Limited
PO Box 246, St. Peter Port, Guernsey. 0481-23021.

| | | | | |
|---|---|---|---|---|
| Intl. Income Fd. | $8.71 | 9.29 | ..... | — |
| Intl. Capital Fd. | $9.67 | 10.50 | ..... | — |
| North America Fd. | $4.10 | 4.53 | ..... | — |

### Raminco Managers Ltd.
P.O. Bx. 1549, Hmltn, Bermuda. (809-29) 2-7979

| | | | | |
|---|---|---|---|---|
| RAMINCO July 5 | $8.85 | 9.12 | ..... | — |

### Richmond Life Ass. Ltd.
4 Hill Street, Douglas, I.O.M. 0624 23914

| | | | | |
|---|---|---|---|---|
| Coin Trust | 39.6 | 42.3 | ..... | — |
| Diamond Bond | 69.2 | 74.1 | ..... | — |
| Gold Bond | 207.1 | 217.9 | +0.9 | — |
| Managed Fund | 138.2 | 145.4 | ..... | — |
| Petroman Oil Trust | 127.6 | 135.6 | ..... | 11.06 |
| Do. $ | 2.207 | 2.346 | ..... | 11.06 |
| Sapphire Trust | 163.6 | 174.5 | ..... | — |
| Silver Trust | 150.6 | 158.5 | +1.4 | — |
| Sterling Deposit Bd. | 150.38 | 158.26 | ..... | 12.48 |
| UK Gilt Fund | 135.1 | 142.1 | +1.2 | — |

### Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481-26741.

| | | | | |
|---|---|---|---|---|
| O.C. America Fd.* | $2.11 | 2.24 | ..... | 0.98 |
| O.C. Sml. Co.*** | 133.6 | 142.1 | ..... | 2.05 |
| O.C. Commodity† | 73.8 | 78.2 | ..... | 3.80 |
| O.C. Dir. Comdty.* | 27.71 | 29.37 | ..... | 3.27 |
| O.C. Hong Kg. Fd.†† | HK$34.23 | 38.40 | ..... | — |

**O.C. International Reserves Limited**

# OFFSHORE AND OVERSEAS

# NOTES

WOLSELEY-HUGHES
Central to Britain's heating
Heating and Plumbing Merchants. Farm and Garden Machinery. Engineering. Plastics.

# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

## CORPORATION LOANS

## COMMONWEALTH AND AFRICAN LOANS

| 1982 High | Low | Stock | Price £ | + or – | Int. | Red. Yield |
|---|---|---|---|---|---|---|
| 161 | 126 | S. Rhod. 2½pc Non-Ass | 157 | — | — | — |
| 73 | 59 | Do. 3½pc 80-85 Assd. | 68 | ..... | 5.24 | 17.00 |
| 41 | 32 | Do. 4½pc 87-92 Assd. | 41xd | ..... | 10.98 | 17.48 |
| 372 | 318 | Zimbabwe Ann (£100pa) | 365 | +5 | — | 20.79 |

## LOANS

Public Board and Ind.

| 1982 High | Low | Stock | Price £ | + or – | Int. | Red. Yield |
|---|---|---|---|---|---|---|
| 66¼ | 57½ | Agric. Mt. 5pc '59-89 | 66¼ | +¼ | 7.54 | 12.36 |
| 31¼ | 23¾ | Met. Wtr. 3pc 'B' | 31¼ | +½ | 9.95 | 12.48 |
| 112 | 103 | U.S.M.C. 9pc 1982 | 106xd | ..... | 8.49 | — |
| 101½ | 94 | Do. without Warnts. | 100xd | ..... | 9.88 | — |

## LOANS—Continued

Financial

Building Societies

## FOREIGN BONDS & RAILS

## AMERICANS

## CANADIANS

## BANKS AND HIRE PURCHASE

| 1982 High | Low | Stock | Price | + or – | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 282 | 200 | ANZ SA1 | 200 | ..... | Q28c | 3.3 | 8.4 | 3.6 |
| 253 | 205 | Alexanders D. £1 | 250 | +12 | 18.5 | — | 10.9 | — |
| £63½ | £56½ | Algemene Fl.100 | £60 | ..... | Q26% | 1.8 | 9.0 | 6.1 |
| 100 | 75 | Allied Irish | 82 | ..... | Q45.3% | 4.0 | 11.3 | 2.8 |
| *16¼ | 10¼ | Ansbacher (H.) 5p | 11½ | ..... | 0.35 | — | 4.3 | — |
| 260 | 200 | Bk. Ireland £1 | 225 | ..... | Q29.4% | — | 10.7 | — |
| 3½ | 2 | Bk. Leumi $0.1 | 2 | –1 | h08% | — | 1.0 | — |
| *227 | 190 | Bk. Leumi (UK) £1 | 190 | ..... | 10.15 | — | 7.6 | — |
| 150 | 145 | Bk. N.S.W. $A1 | 145 | ..... | Q24c | 2.9 | 9.9 | 3.5 |
| 518 | 340 | Bank Scotland £1 | 360 | +8 | 21.0 | 4.5 | 8.3 | 2.9 |
| 425 | 360 | Barclays £1 | 375 | –1 | 122.0 | 5.1 | 8.4 | 3.0 |

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## MINES—Continued

### Central African

| 1982 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 120 | 75 | Falcon Rh.50c | 90 | ...... | Q25c | 10.3 | 20.7 |
| 33 | 19 | Wankie Col. Z$1 | 19 | ...... | Q3c | 1.2 | 12.8 |
| 21 | 12 | Zam.Cpr.SBD0.24 | 16 | +1 | — | — | — |

### Australian

| 1982 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 23 | 10 | ACM 20c | 14 | +1 | — | — | — |
| 7 | 1½ | Argosy Gold NL 25c | 2½ | ...... | — | — | — |
| 151 | 59 | Bond Corp. | 59 | ...... | ♦Q10c | 2.3 | 10.9 |
| 82 | 58 | Bougainville I Kina | 73 | +6 | Q6½c | 1.2 | 5.4 |
| 192 | 147 | CRA 50c | 178 | +8 | Q5c | — | 1.7 |
| 16 | 10 | Carr Boyd 20c | 13 | ...... | — | — | — |
| 56 | 22 | Central Pacific | 28 | ...... | — | — | — |
| 380 | 152 | Crusader Oil | 250 | ...... | — | — | — |
| 26 | 10 | Cultus Pacific N.L. | 11½ | ...... | — | — | — |
| 27 | 14 | Eagle Corp. 10c | 16 | ...... | — | — | — |
| 23 | 9 | Endeavour 20c | 10 | −½ | — | — | — |
| 368 | 150 | G. M. Kalgoorlie 25c | 180 | +15 | Q32½c | 0.9 | 11.0 |
| 10 | 2½ | Great Eastern | 4 | ...... | — | — | — |
| 63 | 30 | Greenbushes Tin 50c | 33 | +1 | Q6c | 1.9 | 10.9 |
| 170 | 134 | Hampton Areas 10p | 160xd | ...... | 3.0 | ♦ | 2.7 |
| 32 | 11½ | Haoma N.W. | 12 | ...... | — | — | — |
| 22 | 9 | Intl. Mining | 12 | ...... | — | — | — |
| 30 | 9 | Jimberlana (50cFP) | 10 | +1 | — | — | — |
| 9½ | 2¾ | Kalbara Min 20c | 3 | ...... | — | — | — |
| 100 | 38 | Kitchener NL 25c | 40 | ...... | — | — | — |
| 14 | 9 | Leichhardt Expln. | 9 | ...... | — | — | — |
| 190 | 92 | Meekatharra 25c | 110 | +3 | — | — | — |
| 44 | 15 | Metals Ex. 50c | 18 | ...... | Q3c | 1.7 | 10.0 |
| 28 | 9 | Metramar Mns. 20cts | 10 | ...... | — | — | — |
| 10 | 3 | Mid East Mins. NL | 4 | ...... | — | — | — |
| 202 | 143 | M.I.M. Hldgs. 50c | 168 | +12 | †Q5c | ♦ | 1.8 |
| 57 | 5 | Mincorp 20c | 5½ | ...... | — | — | — |
| 8 | 3 | Minefields Expl. 25c | 3 | ...... | — | — | — |
| 19 | 14 | Newmetal 20c | 16½ | ...... | — | — | — |
| 30 | 8½ | Nickelore N.L. | 10 | ...... | — | — | — |
| 160 | 92 | North B. Hill 50c | 102 | +6 | ‡Q10c | 1.0 | ‡ |
| *84 | 10 | Nth. Kalgurli | 16 | +½ | — | — | — |
| 123 | 67 | Oakbridge 50c | 78 | ...... | †Q6½c | 1.9 | 5.0 |
| 90 | 32 | Oilmin N. L. | 32 | ...... | — | — | — |
| 98 | 34 | Pacific Copper | 58 | ...... | — | — | — |
| 150 | 74 | Pancont'l 25c | 80 | +2 | — | — | — |
| 62 | 30 | Paringa M&Ex.5p | 30 | ...... | ♦— | — | — |
| 352 | 211 | Peko-Wallsend 50c | 238 | +12 | ‡Q15c | — | ‡ |
| 31½ | 15 | Pelsart Res NL | 15 | ...... | — | — | — |
| 273 | 120 | Renison 50c | 120 | ...... | Z05c | — | 2.5 |
| 205 | 105 | Do. Dfd. | 115 | ...... | — | — | — |
| 56 | 30 | Seltrust A | 34 | +1 | ♦— | — | — |
| 27 | 9 | Southern Pacific | 11 | +1 | — | — | — |
| 46 | 24 | Swan Resources 20c | 27 | ...... | — | — | — |
| 65 | 22 | Vultan Mins 20c | 25 | ...... | — | — | — |
| 11 | 2½ | West Coast 25c | 5 | ...... | — | — | — |
| 50 | 6 | Westn. Cont 50c | 9 | ...... | — | — | — |
| 247 | 150 | Westn. Mining 50c | 176 | +15 | ‡Q14c | 1.6 | ‡ |
| 34 | 12 | Whim Creek 20c | 12 | ...... | — | — | — |
| 30 | 12 | York Resources | 14 | ...... | — | — | — |

### Tins

| 1982 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 11½ | 7 | Amal Nigeria 1p | 9¼ | ...... | — | — | — |
| 255 | 145 | Ayer Hitam SM1 | 145 | ...... | ♦Q135c | 0.7 | ‡ |
| 140 | 55 | Geevor | 55 | ...... | — | — | — |
| 12 | 10 | Gold & Base 12½p | 10 | ...... | — | — | — |
| 630 | 330 | Gopeng Cons. | 330 | ...... | 17.0 | 1.2 | 7.4 |
| 525 | 330 | Hongkong | 430 | ...... | 21.0 | ♦ | 7.0 |
| 330 | 155 | Idris 10p | 330 | ...... | ♦— | — | — |
| 24 | 13 | Jantar 12½p | 15 | ...... | 1.5 | 2.8 | 14.3 |
| 130 | 70 | Kamunting SM0.50 | 70 | ...... | ♦Q27½c | 0.8 | 9.4 |
| 426 | 366 | Killinghall SM1 | 380 | ...... | vhQ60c | ♦ | 3.8 |
| 98 | 55 | Malaysia Mng. 10c | 55 | ...... | vQ17.1c | ♦ | 7.4 |
| 42 | 25 | Pahang | 25 | −2 | ‡0.63 | 0.8 | ‡ |
| 450 | 280 | Penglalen 10p | 340 | ...... | ♦1.0 | — | 0.4 |
| 330 | 200 | Petaling SM1 | 200 | ...... | ‡vQ60c | ♦ | ‡ |
| 200 | 155 | Sungei Besi SM1 | 160 | ...... | ‡vQ310c | 1.1 | ‡ |
| 110 | 65 | Supreme Corp. SM1 | 65 | ...... | vQ15½c | ♦ | 5.8 |
| 110 | 100 | Tanjong 15p | 100 | ...... | 3.5 | 3.7 | 5.0 |
| 85 | 57 | Tongkah H. Tin 15m | 57 | ...... | ‡vQ25% | 1.3 | ‡ |
| 255 | 165 | Tronoh SM1 | 165 | ...... | vQ50c | 2.3 | 7.2 |

For Messina see South Africans

### *Miscellaneous*

| 1982 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 40 | 20 | Anglo-Dominion | 23 | +2 | — | — | — |
| 16½ | 12 | Burma Mines 10p | 12 | ...... | 0.55 | 1.0 | 6.5 |
| 130 | 27 | Colby Res. Corp. | 41 | −1 | — | — | — |
| 292 | 170 | Cons. Murch. 10c | 210 | +10 | ‡Q60c | 1.9 | ‡ |
| 8 | 4 | ‡‡Exploura Gold | 4 | ...... | — | — | — |
| 105 | 55 | Highwood Res. | 65 | ...... | — | — | — |
| 255 | 160 | Northgate C$1 | 180 | ...... | — | — | — |
| 468 | 344 | R.T.Z. | 400 | +8 | 16.0 | 2.1 | 5.7 |
| £108½ | £84 | Do.9¼%Cv.Ln.95-2000 | £94½ | +½ | Q9½% | 30.0 | f10.1 |
| 20 | 11 | Sabina Inds. C$1 | 11 | ...... | — | — | — |
| 44 | 27 | ¥Southwest C. 10p | 32½ | ...... | — | — | — |
| 500 | 270 | Tara Expln. $1 | 285 | ...... | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ¥ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.
- ♥ Rate applicable to non-Zimbabwean residents.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

## REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

| | | | |
|---|---|---|---|
| Albany Inv. 20p | 40 | ...... |
| Bertrams | 17# | ...... |
| Bdg'wtr. Est. 50p | 415 | ...... |
| Craig & Rose £1 | £121½ | ...... |
| Finlay Pkg. 5p | 26 | ...... |
| Graig Ship. £1 | £24 | ...... |
| Higsons Brew | 90 | +5 |
| Holt (Jos) 25p | 820 | −10 |
| I.O.M. Stm. £1 | 95 | ...... |
| Pearce (C. H.) | £10 | ...... |
| Peel Hldgs. | 153 | ...... |
| Sheff. Refrshmt | 79 | ...... |
| Sindall (Wm.) | 220 | ...... |

**IRISH**

| | | |
|---|---|---|
| Conv. 9% '80/82 | £98⅝ | +⅛ |
| Nat. 9¾% 84/89 | £69⅝ | +⅝ |
| Fin. 13% 97/02 | £77 | +⅝ |
| Alliance Gas | 86 | ...... |
| Arnott | 205 | ...... |
| Carroll (P.J.) | 71 | −1 |
| Concrete Prod. | 50 | ...... |
| Helton (Hldgs.) | 17 | ...... |
| Irish Ropes | 34 | ...... |
| Jacob | 65 | ...... |
| T.M.G. | 5 | ...... |
| Unidare | 45 | ...... |

## OPTIONS

### 3-month Call Rates

**Industrials**

| | |
|---|---|
| Allied-Lyons | 8 |
| BOC Intl. | 15 |
| B.S.R. | 8½ |
| Babcock | 10 |
| Barclays Bank | 42 |
| Beecham | 21 |
| Blue Circle | 48 |
| Boots | 19 |
| Bowaters | 24 |
| Brit. Aerospace | 17 |
| B.A.T. | 38 |
| Brown (J.) | 7 |
| Burton Ord. | 15 |
| Cadburys | 9 |
| Courtaulds | 8 |
| Debenhams | 7 |
| Distillers | 15 |
| Dunlop | 6½ |
| Eagle Star | 31 |
| F.N.F.C. | 4 |
| Gen. Accident | 28 |
| Gen. Electric | 65 |
| Glaxo | 42 |
| Grand Met. | 17 |
| G.U.S. 'A' | 45 |
| Guardian | 25 |
| G.K.N. | 15 |
| Hawker Sidd | 38 |
| House of Fraser | 15 |
| I.C.I. | 24 |
| "Imps" | 8 |
| I.C.L. | 5½ |
| Ladbroke | 15 |
| Legal & Gen. | 19 |
| Lex Service | 10 |
| Lloyds Bank | 42 |
| "Lofs" | 6½ |
| London Brick | 7 |
| Lucas Inds. | 20 |
| "Mams" | 12 |
| Mrks. & Spncr | 12 |
| Midland Bank | 30 |
| N.E.I. | 9 |
| Nat. West. Bank | 50 |
| P & O Dfd. | 14 |
| Plessey | 32 |
| Racal Elect | 35 |
| R.H.M. | 6½ |
| Rank Org. Ord. | 28 |
| Reed Intnl. | 26 |
| Sears | 6 |
| T.I. | 13 |
| Tesco | 5½ |
| Thorn EMI | 42 |
| Trust Houses | 11 |
| Turner & Newall | 11 |
| Unilever | 55 |
| Utd. Drapery | 7 |
| Vickers | 16 |
| Woolworths | 5 |

**Property**

| | |
|---|---|
| Brit. Land | 7½ |
| Cap. Counties | 10 |
| Land Secs. | 28 |
| MEPC | 20 |
| Peachey | 14 |
| Samuel Props. | 11 |
| Town & City | 3½ |

**Oils**

| | |
|---|---|
| Brit. Petroleum | 26 |
| Burmah Oil | 10 |
| Charterhall | 6 |
| KCA | 14 |
| Premier | 6 |
| Shell | 30 |
| Tricentrol | 22 |
| Ultramar | 38 |

**Mines**

| | |
|---|---|
| Charter Cons. | 25 |
| Cons. Gold | 48 |
| Lonrho | 7 |
| Rio T. Zinc | 42 |

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 27

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FINANCIAL TIMES

Tuesday July 20 1982

Britain's Finest Trailers
CRANE FRUEHAUF
South Green, Dereham, Norfolk

# BR spells out cost of Aslef strike

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

BRITISH RAIL will tell the Government shortly that, after counting the cost of the two-week Aslef strike, it cannot possibly stay within the External Financing Limit (EFL) set by the Government for 1982-83.

The EFL is the maximum figure BR may receive from the Government in grants and loans.

The strike cost BR about £100m in lost revenue and the suspension of the Public Service Obligation (PSO) grant paid by the Government for the "social railway" meant that it was deprived of another £31m.

BR says it is not yet possible to estimate the future effects of the strike in terms of passenger and freight business which will desert the railways, but it is clear that BR's overall loss in the current financial year will be at least £200m.

The Government's response to BR's financial plight is expected to be determined by progress British Railways Board makes on other productivity points in addition to flexible rostering—the issue at the heart of the Aslef dispute — which were agreed with its trade unions last summer.

They include the removal of guards from freight trains and single manning of engines and involve both Aslef and the National Union of Railwaymen.

Government pleasure over the defeat of Aslef on flexible rostering is tempered by its desire to see substantial progress on these other points before it will soften its hard line on BR's finances.

At present it seems that the most BR can expect is a portion of the PSO in recognition of the limited services it was able to run during the strike.

BR will tell the Government that it wants the sanctioning of some of its investment plans, particularly electrification of the north-east coast main line, so that the board can demonstrate to the unions that it has the Government's backing on investment.

BR would then be able to determine the time at which it could go ahead on electrification, a project which would fall outside the Government's strict control over the railways' finances through the EFL.

It seems unlikely, however, that the Government will sanction the electrification project at least until agreement has been reached with the NUR on the manning of the newly electrified Bedford-St Pancras line.

BR had overshot its EFL for 1982-83—already trimmed by the Government to take account of the cost of the six-week Aslef dispute in January and February—by £20m before it went into the latest strike.

Loss of revenue from this strike and the loss of business still to be quantified means that BR has no alternative but to ask the Government to take a more lenient view of its finances for the remainder of the year.

# Tribunal may be asked for freeze on pay

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL is likely to call on the industry's forthcoming arbitration tribunal on pay to make no wage award for the railways' 167,000 workers until BR has secured agreement in a ballot to productivity improvements outstanding since last year's 11 per cent pay deal.

BR is confident that it will succeed in the move following its victories over pay and productivity in disputes with both the National Union of Railwaymen and the Associated Society of Locomotive Engineers and Firemen.

The NUR earlier this month called off its strike after one day. Aslef abandoned its action at the weekend after pressure from the TUC, which effectively supported BR over flexible rostering.

BR will make no pay offer ahead of the hearing of the Railway Staffs' National Tribunal, chaired by Lord McCarthy. The 5 per cent from September originally offered by BR was withdrawn when the NUR went on strike.

The outstanding productivity improvements involve mainly manning on the Bedford-St Pancras line and the elimination of second drivers and freight train guards.

In making its case to the RSNT BR will stress the financial damage to the industry inflicted by the Aslef strikes. If the RSNT were to accept the idea of making no award until productivity is resolved, BR may well return to the tribunal later on pay.

Rail services returned quickly to normal yesterday following the end of the strike at midnight on Sunday. After a shaky start in the morning, BR reported that by midday, services were running at about 98 per cent, or about normal.

The trade union backlash against the settlement is growing. A number of Aslef branches are passing resolutions seeking the union's disaffiliation from the TUC, although these seem unlikely to be acted upon. The calls follow the crucial intervention of the TUC's finance and general purposes committee, in getting the strike called off.

John Lloyd, Labour Editor, writes: Mr Len Murray, TUC general secretary, yesterday mounted a strong defence of the TUC's position over the ending of the strike. After denying some newspaper reports that the committee had been split over the issue, with left-wingers supporting Aslef, he said: "There was no other way available."

Left-wing union leaders will launch an assault on members of the TUC's finance and general purposes committee for the "betrayal" of Aslef at the TUC general council meeting next week.

They, together with senior figures in the Labour Party, believe the decision gravely weakens the TUC in its fight against the Employment Bill, and that it marks a historic defeat for the unions.

It is not clear, however, how far a revolt could go, since a number of left-wingers, including Mr Moss Evans of the Transport Workers, and Mr Clive Jenkins, of the white collar union ASTMS, were associated with the decision at the weekend.

Mr Arthur Scargill, the Mineworkers' President, said the National Union of Mineworkers fully understands Aslef's decision to call off the strike "in view of the utter failure of the TUC to support the union's fight against the BR board and the Tory Government."

"This failure to carry out basic trade union solidarity will only serve to weaken the trade union movement at a time when it needs to develop total unity in face of the Government's political and economic attacks on our standards of life."

Mr Ken Cameron, general secretary of the Fire Brigades Union, said the TUC should have continued to support Aslef. "If we are going to give in every time an employer threatens the sack then it's a sad day."

Bitterness as drivers resume working, Page 9

# Iraq claims Iranian invasion driven back

By James Dorsey in Kuwait

IRAN'S six-day-old invasion of Iraq appears to have been brought to a standstill by fierce resistance, although heavy fighting is still reported in the border region north-east of Basra.

Diplomats remain unsure of the precise location of the fighting and are sceptical of Iraq's claim to have driven the Iranians back across the border.

Mr Taha Yassin Ramadhan, First Deputy Prime Minister of Iraq, claimed yesterday that a major battle had been fought on Sunday and that 3,400 Iranians had died in the past 48 hours.

He did not say where the fighting had taken place except that it was near Basra, Iraq's second largest city.

Mr Ramadhan described the Iranian invasion as "suicide" and said Iraq's forces were well prepared for the next Iranian offensive.

Western correspondents taken to a battlefield three miles east of the Shatt al-Arab waterway and just north of Basra said it was evident there had been intense fighting and Iraq appeared to have scored a major victory.

An Iraqi colonel claimed that there were no remaining Iranian positions inside Iraq. The correspondents were told that a force of 100,000 Iranians had been driven off and the bodies of 1,000 men removed from the battlefield.

South of Basra, the correspondents were shown what were said to be 800 prisoners of war captured during the invasion.

Intense artillery barrages could be heard in the distance.

Iran claimed its forces had beaten off another Iraqi counter-attack and were continuing to consolidate their positions inside the border.

A military communique reported by Tehran radio claimed 500 Iraqis had been killed or wounded and 18 tanks destroyed during the latest fighting.

The radio also reported that Iraqi aircraft had bombed the towns of Khorramabad and Ilam from high altitude. It said scores of civilians were killed or injured.

Air raid sirens also sounded during the day in Tehran.

Diplomats in Kuwait said that, in spite of the lack of information about the course of the invasion, the Iranians appeared to have encountered stiffer opposition than they expected.

President Saddam Hussein of Iraq has evidently had some success in boosting the morale of his troops after their disastrous collapse at Khorramshahr in May.

The lack of Iranian military communiques is further evidence that the fighting is not going well for Iran.

It was also pointed out that the Iranians left their dead on the battlefield last week instead of returning them to their home cities for martyrs' funerals, as had been the normal practice.

Jordan's lifeline for Iraq, Page 4
Ship insurance premiums to rise, Page 8

## THE LEX COLUMN

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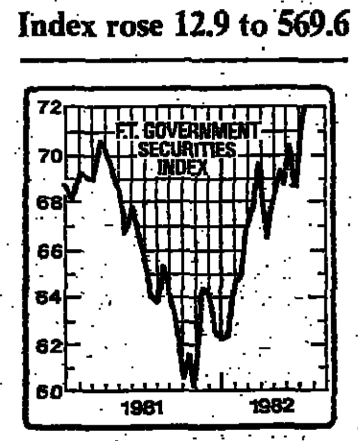



Institutions which have opened up their cheque-books to buy a chunk of British Telecom can put them away again—at least for the time being.

The Government yesterday announced that the sale of shares in this recently demoted "natural" monopoly would not be attempted before a general election. A White Paper is to be issued, over which there is likely to be intensive lobbying by BT itself, potential competitors and unions, so its unlikely to emerge in its final form before this time next year. The earliest date for flotation would therefore be in 1984. Before this, however, it is possible that a "Buzby Bond" may be used to test public reaction to BT paper—although official interest in the bond for its own sake has waned, since it would be difficult to link to BT's performance and would only raise piffling sums of money.

There are, anyway, a series of little, and not so little local difficulties that need to be cleared up before stock can be issued to the investing public. The Government will have to decide what to do about a pension fund liability of the very material sum of £1¼bn: on past precedent it may meet the deficiency as a parting gift. At the same time BT's accounts need to be throughly debugged. The last set were riddled with auditor's qualifications concerning, among other topics, the true value of the assets, the distribution of profits over a two-year period and the flow of funds. The forthcoming proposals on how the country is to be cabled are critical, as may be the stance adopted by the political opposition on renationalisation.

Quite apart from such factors, BT will be a difficult animal to price. It ranks as a utility in a growth market. There are few utilities quoted in the UK and comparison with those that are may be misleading. In particular BT does not deserve the same rating as Cable and Wireless—which is now on a prospective yield of 4 per cent. C and W's markets demonstrate higher growth and more freedom from control, while the company is diversifying successfully into non-tariff businesses.

BT has yet to prove it is able to open up new markets in a competitive environment while rivals will be nibbling at some of the more profitable and faster growing areas of business. Furthermore, by international standards, BT is over-manned — possibly by as much as 25 per cent—and pushing up productivity could be a painful process. Nevertheless, traffic is growing and it is likely that the regulatory framework will allow BT to keep profits moving roughly in line with inflation.

The ambitious capital programme means that future cash calls on investors will be heavy. The U.S. telephone utilities yield about 10 per cent, suggesting a 7 per cent figure in the UK. BT could afford to pay a dividend of perhaps £300m, comfortably covered by CCA earnings, implying a capitalisation for the whole concern of between £5bn and £6bn.

### Markets

Last week's seasonal bulge in the U.S. money supply was very much on the slim side, and the London markets, additionally buoyed by the sight of the white flag fluttering over Aslef House, were assured of a splendid day yesterday. Gilt-edged showed rises of 1¼ points among long-dated issues, and equities followed, with the FT 30-Share Index up nearly 13 points, its best performance for two months.

The markets are now in a decidedly excitable state. There were typical bull-market accusations yesterday that the Government Broker had been supplying the jobbers with what was left of his six £100m tranches of stock anything up to half a point too cheap. Then the Bank of England kept the temperature up by lowering its longer bill dealing rates in the late morning, which immediately provoked anticipation of further cuts.

For the Bank to leave its rates unchanged in conditions like yesterday's could have been interpreted as an attempt to stop the interest rate decline. Equally, going along with the market only encourages the market to go further. Stability is almost impossible to achieve—which is not to suggest that it is necessarily what the authorities want. Behind the London market's hectic advance is the perception, true or false, that the British Government is determined to push interest rates down as far as they will go without damaging sterling, which was incidentally very strong yesterday. This sort of approach would be bound to end in tears, as sterling would indeed give way eventually.

The traditional way of calming the markets down is to give them a large and indigestible tap stock. In the absence of any such offering from H.M. Treasury, Australia was raising 28-year money in the domestic sterling markets yesterday with a £100m issue yielding a point more than comparable gilt-edged stock. This differential reflects the more marketable nature and more favourable tax treatment of gilts as well as a premium for credit risk. That the concept of credit risk has become re-established in the sterling bond market is shown by the 18 per cent yield on Mexican paper.

The development of sterling bond issues is no doubt very gratifying to the authorities. But the aim of persuading British companies to borrow in the capital markets has not yet been achieved, although the first quarter net borrowing requirement of industrial and commercial companies, stretching to £3½bn, is a reminder of the need. The Bank yesterday issued a notice requiring that its consent should be sought for all sterling eurobond issues. Although it is not instituting a formal queue, it reserves the right to refuse consent if, for example, the flow of eurosterling bonds threatens to crowd out domestic issuers.

The notice also covers deep discount and indexed issues, which must take their place in the Government Broker's queue. These sectors are to be reserved for companies — again, to prevent crowding out by sovereign or public sector borrowers. For the moment, though, this point seems academic. The Inland Revenue's "clarification" of the tax treatment of deep discount bonds leaves this infant market still-born — if perfectly symmetrical.

# Schmidt and Colombo to see Shultz

By John Wyles in Brussels

CHANCELLOR Helmut Schmidt of West Germany and Sig Emilio Colombo, the Italian Foreign Minister, are making separate visits to Washington today for talks with Mr George Shultz, the new U.S. Secretary of State, in a bid to defuse the conflicts dividing the U.S. and the EEC.

Their efforts follow the failure of talks in Washington at the end of last week to resolve the row over EEC steel exports to the U.S. After hearing a report of the negotiations from two European Commission vice-presidents, Herr Wilhelm Haferkemp and Viscount Etienne Davignon, Community foreign ministers were said yesterday to be gloomy about the outlook.

They will discuss the situation in more detail today and may give the European Commission the green light to open a new front against the U.S. in the General Agreement on Tariffs and Trade. Although the Commission has not finally decided, it may well seek authorisation from GATT to take retaliatory measures against imports from the U.S. benefiting from the so-called disc system—a system of tax concessions for U.S. exporters.

The Community secured a ruling from GATT nearly a decade ago that this amounted to a form of subsidy.

Both Chancellor Schmidt, a close friend of Mr Shultz, and Sig Colombo are expected to raise the broad range of current EEC-U.S. tensions when they see Mr Shultz over the next two days.

They will repeat the EEC view that Washington's action over the Soviet pipeline, EEC steel and its attack on the Community's export subsidies for agricultural products are doing untold damage to relations with the Ten.

According to the Commissioners' account of the steel negotiations with Mr Malcolm Baldridge, the U.S. Secretary for Commerce, an agreement remains out of reach for three reasons

● The range of products to be covered by EEC export limits are still in dispute. In Washington, the Commission added wire rods and carbon bars to the five products it was willing to control. The U.S. still pressed for the inclusion of steel tubes.

● The quantities to be exported by the EEC are in contention. The Commission continues to argue for a 6.7 per cent share of the U.S. market, but the U.S. wants a ceiling of 5.2 per cent.

● Both sides are looking at a three-year export limitation but the Commission wants a U.S. guarantee that its steel industry will not file any more anti-lumping complaints against EEC steel during that period. The U.S. argues that it cannot promise that its citizens will not resort to the law of the land for protection—in this case the anti-dumping legislation.

# British Steel aiming for trading profit of £79m, directors reveal

BY IAN RODGER

BRITISH STEEL aims to make a trading profit of £79m in the year to March 31, 1983, its first profit before interest charges in six years and a dramatic improvement on last year's loss of £242m.

This target forms part of the corporation's revised corporate plan for the next three years, submitted to the Government in March. The plan also forecasts interest charges this year of £84m, which would leave a pre-tax loss of £5m compared with a loss of £335m in 1981-82.

Details of the plan have been published in the annual report by BSC directors to their employees. The report points out that the profit target was developed from plans submitted by operating divisions, and stresses: "The management of each business is committed to their achievement".

The success of the plan depends on improvements in productivity, operating standards and energy conservation plus reductions in working capital.

The directors say the corporation's operating costs last year amounted to more than £250 per tonne of steel produced, compared with just under £200 in West Germany. Estimates of productivity indicate that the number of tonnes produced per man year rose 20 per cent in West Germany between 1977 and 1981 and 50 per cent at BSC, although from a lower base.

BSC's plan aims to maintain the corporation's capacity, but the directors point out that "failure to achieve competitive costs could result in the closure of one or more of the integrated steelmaking sites or individual businesses within the corporation."

BSC must also maintain its 50 per cent share of the UK steel market and continue to seek more rewarding export opportunities, the report says.

The revised plan takes account of the difficulties arising from the anti-dumping and countervailing duty suits filed by U.S. steel producers against European steel companies.

But the corporation has nevertheless included in its 1982-83 budget a contingency item of £75m for "normal business fluctuations."

If this entire amount turns out to be needed, the company's total pre-tax loss would rise to £80m.

At the time the plan was prepared, BSC was forecasting that UK steel consumption in 1982-1983 would be 12.25m to 12.5m tonnes, slightly higher than last year, but deliveries would be marginally lower than the 12.6m tonnes in 1981-82 because of customer destocking.

"The most recent assessment of the UK economy and steel-using industries in 1982-83 is marginally more favourable than the plan forecasts," the directors say, "although the recent downturn in order intake is causing some concern for prospects in the immediate future."

The report also provides a few details of the forecasts for the subsequent two years of the plan. The trend of steel demand in the non-communist world is not expected to improve on that experienced since 1974—about 1 per cent growth per year in the industrial countries and 4 per cent in the developing countries.

The next peak year is expected to be 1984, when demand is estimated at 50m tonnes above the current level of about 460m tonnes a year.

Over this period, developing countries were forecast to increase capacity by about 30m tonnes, but this is likely to be offset by closures in established steel-making countries.

In the UK, a recovery in the economy and the steel-using industries should lead to improvements in consumption and stock levels. Steel demand in 1984 could reach 13m tonnes, still well below the 1979 figure of nearly 20m tonnes.

Continued from Page 1

## British Telecom

issued by the Industry Department, would replace the statutory position awarded BT in the last Telecommunications Act. The department would retain responsibility for issuing licences to other telecommunications suppliers.

● Legislative safeguards for BT's existing pension obligations and special provisions for the purchase of BT shares by its employees.

● Reform of the Telegraph Acts governing the laying of public telecommunications systems. Some of the Acts date back to the last century.

Mr Jenkin said the Government was still considering plans for BT to raise up to £150m by offering so-called "Buzby bonds" to private investors But he said BT would not need the money during its current financial year, ending March 31, and that the planned bond issue might be pre-empted by the sale of shares in BT.

Mr Jenkin said the White Paper took into account the views of the Post Office Engineering Union, which had been consulted in advance. But the union accused the Government of "giving away billions of pounds worth of public assets, probably at knock-down prices, to speculators." The average private customer would suffer, it said.

Continued from Page 1

## Health workers action

cover as a consequence of the dispute.

The Department said that, in Wakefield, four hospitals had suffered total stoppages by all staff.

Elsewhere, strike action had been "very patchy," varying greatly from hospital to hospital, the Department said.

## Appeal for war victims

THOUSANDS of locals all over Britain are joining in a national pub collection for the Government's South Atlantic Fund. The aim is to provide extra help for the victims, and their dependants, of the fighting in the Falklands.

Pub licensees will put all money collected direct in the fund's accounts at either the National Girobank or Barclays Bank.

Continued from Page 1

## UK may seek deal with U.S.

Commerce Secretary. No date has been set for a further meeting.

The U.S. Government is due by August 24 to make a final determination on whether the countervailing duties remain in place, which, in part explains the desire of both the UK Government and the Commission to resolve the steel issue speedily.

It is believed in London that the negotiation of a bilateral agreement is consistent with the rules of the European Coal and Steel Community, established under a different treaty from that setting up the EEC.

The Commission, unable to negotiate an agreement for the Community as a whole, may reluctantly acquiesce in solo action by the UK.

But such action would break the fragile unity of the EEC on the issue. Different interests have in any case been at stake since the U.S. effectively divided the EEC by picking out the British, French, Italian and Belgian supplies for the imposition of duties. The issue has been a major factor in the deterioration over recent months of U.S.-EEC trade relations.

## Weather

UK TODAY

CLOUDY with sunny periods.

Midlands, S. and Central N. England.
Rather cloudy at first, sunny periods developing. Max 24C (75F).

Wales, N. Ireland, S. Scotland and N. England
Dry, sunny periods. Max 22C (72F).

N. Scotland
Cloudy, a little rain or drizzle. Max 17C (63F).

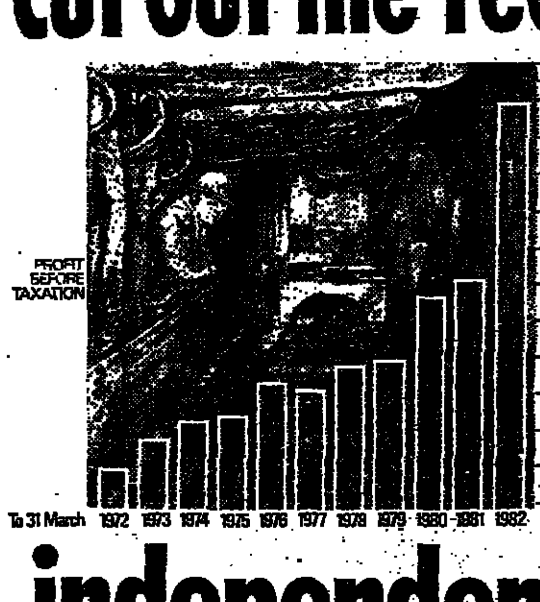
Outlook: Mostly dry, perhaps thundery showers in south.

WORLDWIDE

| | | Y'day midday °C | °F | | | Y'day midday °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 29 | 84 | L. Ang.† | F | 17 | 63 |
| Algiers | C | 29 | 84 | Luxmbg | F | 23 | 73 |
| Amsdm. | F | 21 | 70 | Luxor | | — | — |
| Athens | S | 30 | 86 | Madrid | F | 30 | 85 |
| Bahrain | | — | — | Majorca | C | 29 | 84 |
| Barclna. | F | 23 | 73 | Malaga | S | 27 | 81 |
| Beirut | | — | — | Malta | S | 28 | 82 |
| Belfast | S | 19 | 66 | M'chstr | F | 20 | 68 |
| Belgrd | S | 29 | 84 | Melbne. | S | 10 | 50 |
| Berlin | S | 24 | 75 | Mx. C.† | | — | — |
| Biarritz | F | 27 | 81 | Miami† | F | 33 | 91 |
| Bmghm | C | 20 | 68 | Milan | F | 29 | 84 |
| Blackpl | S | 19 | 66 | Montrl.† | C | 23 | 73 |
| Bordx. | S | 29 | 84 | Moscow | F | 27 | 81 |
| Boulgn | S | 22 | 72 | Munich | C | 19 | 66 |
| Bristol | S | 23 | 73 | Nairobi | F | 24 | 75 |
| Brussels | S | 23 | 73 | Naples | F | 30 | 86 |
| Budpst. | F | 20 | 68 | Nassau | | — | — |
| Cairo | | — | — | Nwcastl. | S | 19 | 66 |
| Cardiff | S | 22 | 72 | N. York† | R | 26 | 79 |
| Cas'bl'ca | F | 22 | 72 | Nice | S | 28 | 82 |
| Cape T. | F | 16 | 61 | Nicosia | F | 28 | 82 |
| Chicg.† | R | 21 | 70 | Oporto | S | 21 | 70 |
| Cologne | F | 24 | 75 | Oslo | F | 22 | 72 |
| Cpnhgn | S | 19 | 66 | Paris | S | 26 | 79 |
| Corfu | S | 33 | 91 | Perth | F | 17 | 63 |
| Denver† | F | 16 | 61 | Prague | C | 19 | 66 |
| Dublin | F | 17 | 63 | Rykjvk | C | 9 | 48 |
| Dbrvnk | S | 30 | 86 | Rhodes | S | 27 | 81 |
| Edinbgh. | S | 21 | 70 | Rio J'o† | | — | — |
| Faro | S | 21 | 70 | Rome | F | 29 | 84 |
| Florence | | — | — | Salzbrg | C | 22 | 72 |
| Frankft | F | 22 | 72 | S'c scot | C | 13 | 55 |
| Funchal | | — | — | S. Mritz | | — | — |
| Geneva | F | 23 | 73 | Singapr | C | 30 | 86 |
| Gibrltr | S | 25 | 77 | S'tiago† | | — | — |
| Glasgow | S | 22 | 72 | Stckhm | S | 25 | 77 |
| G'rnsy | S | 18 | 64 | Strasbg | S | 24 | 75 |
| Helsinki | S | 23 | 73 | Sydney | C | 10 | 50 |
| H. Kong | C | 31 | 88 | Tangier | F | 23 | 73 |
| Innsbrk | F | 23 | 73 | Tel Aviv | S | 28 | 82 |
| Invrness | S | 23 | 73 | Tenerife | S | 25 | 77 |
| I.o. Man | S | 17 | 63 | Tokyo | C | 25 | 77 |
| Istanbul | S | 26 | 79 | Toronto† | C | 22 | 72 |
| Jersey | S | 22 | 72 | Tunis | S | 33 | 91 |
| Jo'burg | S | 17 | 63 | Valencia | F | 30 | 86 |
| L. Pims | S | 23 | 73 | Venice | F | 28 | 82 |
| Lisbon | F | 22 | 72 | Vienna | S | 23 | 73 |
| Locarno | F | 25 | 77 | Warsaw | C | 22 | 72 |
| London | F | 20 | 68 | Zurich | C | 13 | 55 |

C—Cloudy F—Fair R—Rain S—Sunny
† Noon GMT temperatures

Anderson Strathclyde have cut out the recession




...independently

Extracts from the Statement by the Chairman, Sir Monty Finniston, FRS.

"It has been a year of significant progress for Anderson Strathclyde. Turnover reached £100 million, pre-tax profits moved forward by 76% to £11.2 million and net borrowings, which stood at £6.3 million at the beginning of the year, were eliminated by the cash flow generated."

"We have been operating from a slimmer and stronger manufacturing base. The action taken over a number of years to introduce new technology and to improve efficiency and productivity have helped us to contain costs and to achieve a higher level of profit."

"It has been recognised for some time that expansion of the market for underground coal mining machinery is taking place overseas. We have built up our facilities in USA, Australia and South Africa, all of which are main markets."

"I confirm our confidence in the future growth and expansion prospects of Anderson Strathclyde as an independent company."

Anderson Strathclyde PLC

Anderson House, 47 Broad Street, Glasgow G40 2QW

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